Garner | Economics LLC
solutions that work

May 2, 2012

A Blueprint for Success: A Holistic Economic Development Strategy for Fayetteville and Cumberland County, NC

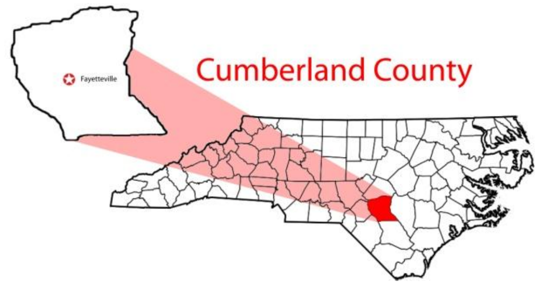
Prepared especially for the:

FAYETTEVILLE - CUMBERLAND COUNTY
CHAMBER of COMMERCE

715 Birkdale Drive
Atlanta, GA 30215
P. 770.716.9544
F. 770.719.8911
garnereconomics.com

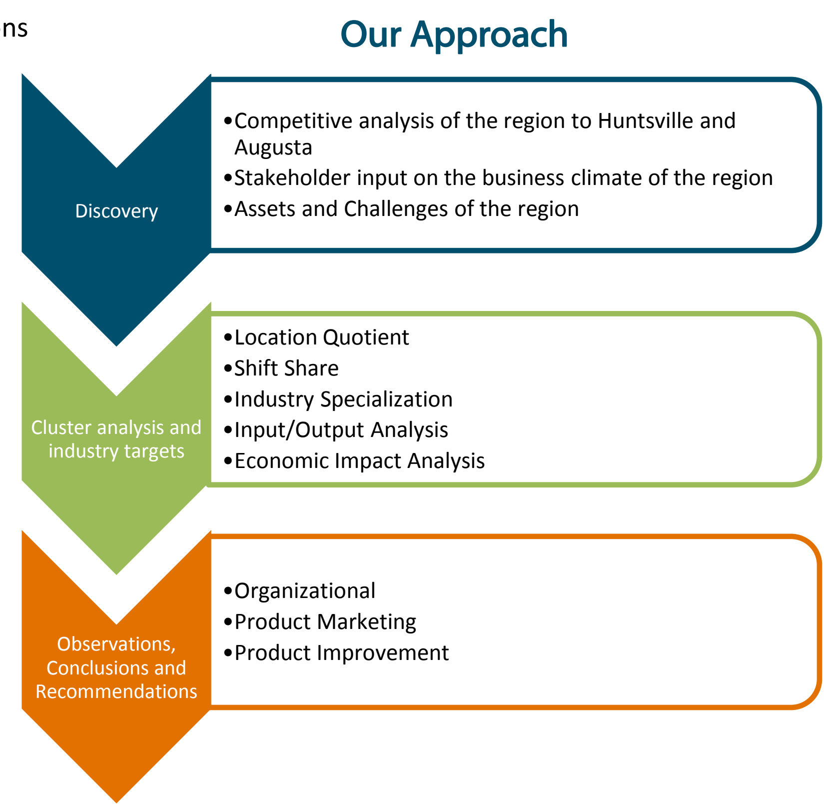
TABLE OF CONTENTS

INTRODUCTION AND METHODOLOGY



The Fayetteville-Cumberland County Chamber of Commerce (Chamber) retained Garner Economics, LLC in late November of 2011 to conduct an economic development strategy for Fayetteville and Cumberland County, NC. The scope of services included analyzing the local and regional economy, conduct an assets and challenges assessment of the County from the eyes of a site location consultant, recommend industry clusters suitable for the area based on our research and analysis, and finally provide a set of implementable recommendations that the stakeholders in the community can utilize to enhance the economic well-being of the region. Jay Garner, President of Garner Economics, served as the lead consultant with this project for the Chamber. Tom Tveidt, research economist for Garner Economics, provided the analytical analysis and business target recommendations. The focus of this engagement is for the Chamber, City of Fayetteville and Cumberland County to understand and gain a competitive advantage in business development and economic growth opportunities.

The ***Competitive Realities Report*** was the first of two reports provided to the Chamber. This final report consists of business targets recommendations along with conclusions and recommendations in how the Chamber and the region can enhance its global competitiveness.



Our approach began with the Garner Economics team conducting an **Assets and Challenges assessment** of Cumberland County. We have conducted hundreds of Assets and Challenges assessments (also referred to as a SWOT analysis) on behalf of our economic development and corporate clients throughout the United States. We apply many of the same criteria to assess a community that we use when a corporate client engages us to evaluate communities on their behalf for possible corporate investment. Our assessment, which follows in this report, is both an objective and subjective evaluation of the community from the eyes of a site location consultant. Our Assets and Challenges assessment allows us to document what problems exist in the region that constitutes barriers for successfully achieving the vision of its leadership.

The objectives of this assessment are to:

- Identify key strengths to emphasize in economic development marketing efforts, and;
- Identify key weaknesses that may limit investment in the region so that remediation of these local challenges may occur.

A full-day **windshield tour** was provided by representatives of the Chamber to review those items that were necessary for us to evaluate as outlined in our assets and challenges below. This research will then supplement the economic analysis we conducted to identify the best possible opportunities for business targets and will be noted in the final report. We then conducted **focus groups** and surveys with key stakeholders in the region. This gave us an overview of how local businesses and residents evaluate the business climate of the area. A total of 72 individuals participated in eight focus groups. Focus group categories included businesses with more than 250 employees; businesses with less than 250 employees; entrepreneurs; government employees and elected officials; non-profits; education professionals; Department of Defense/military leadership; and defense contractors.

As it relates to the completion of the *Competitive Realities Report*, we evaluated key **demographic and economic indicators** for the region as compared to state and national trends as well as the comparison of the MSA’ s of Huntsville, Alabama and Augusta, Georgia which were selected as benchmark communities by the Chamber. These areas both have or had a high concentration of similar industry specialization to Fayetteville area.

Lastly, in this final report, we noted specific **optimal industry targets** by cluster and sub cluster the region should pursue based on both our desirability and feasibility screening matrix. In our Recommendations section, a call for action is categorized under three areas of opportunity:

- Product Marketing
- Product Improvement
- Organizational

The “Product” is the Fayetteville region.

Included in this report are specific **metrics and benchmarks** the region and the Chamber should utilize to measure success.

To enable readers a summary overview of the report’s main findings, a set of dashboard icons is presented. Each finding has an accompanying icon to assist with interpretation. Readers are encouraged to review the supporting data to gain a more complete understanding in those areas of interest in the full report.

REPORT DASHBOARD

Indicates the County is better (more positive) compared to a majority of the benchmark geographies, or points to a positive trend or asset within the area.

Indicates the County is neutral, neither positive nor negative. Indicator may represent an observation, or be in the middle of the benchmark geographies.

Indicates the region is worse compared to a majority of the benchmark geographies, or points to a negative trend or challenge within the area.

SECTION 1: ASSETS AND CHALLENGES ASSESSMENT

Garner Economics analyzed seventy four (74) community factors as part of the assessment for the County. These are many of the same factors that are used when we conduct a site/community evaluation for a company that is considering a new location, expansion, consolidation or closure. Our methodology was both objective - using published statistical sources such as crime rate data and wage data, and subjective - based on our many years of working in the economic development profession and in representing companies evaluating communities for investment. Tours of the region took place in June as part of our asset mapping methodology.

Left without a plan to mitigate some of these areas of concern, the ratio of Assets to Challenges may be of apprehension to possible investors.

We define Neutral as normal in the realm of economic development opportunity and competitiveness. An Asset is a positive feature of the area that would be evaluated and rated by the Garner Economics team as exemplary. A Challenge is considered as a deficiency that should be addressed for future remediation and may be an impediment for economic development if not resolved over time.

Of the 74 variables analyzed, 12 are considered an Asset and 27 a Challenge (35 rated as neutral).Left without a plan to mitigate some of these areas of concern, the ratio of Assets to Challenges may be of apprehension to possible investors and could place the Fayetteville area as a <u>potentially</u> marginal location for business opportunity and growth. Additionally, there are far too many neutral ratings. In today's fiercely competitive global environment, that many neutral rankings may symbolize a sense of complacency or mediocrity to a potential investor. Being average does not win in the economic development arena.

Access To Markets	Rating
Centrally located for major regional market	
Centrally located for national market	
Well positioned to serve international markets	
Interstate highways	[1]
Rail service	[2]
Port facilities	
Scheduled airfreight services	
Within 1 hour of commercial air passenger service	[3]
General aviation airport capable of handling corporate aircraft	
Broadband rankings	[4]

The Fayetteville, NC area (Fayetteville MSA) is positioned ideally for regional distribution, but marginal for national and international markets, depending on the product and its customer locations (there is no Foreign Trade Zone which can facilitate international trade and foreign direct investment).

The area is served by Fayetteville Regional Airport (FAY) with approximately 258,000 passenger departures annually and almost 6,400 scheduled flights annually. Cumberland County is served by I-95 (N/S) which is one of the busiest north/south interstate corridors in the US. East/West access is limited and discussed by many respondents in focus groups as a challenge and inconvenience. The closest deep water port is in Wilmington, NC, approximately 90 miles from Fayetteville.

Fayetteville ranks high in national broadband rankings compared to its benchmark communities from data published by the National Telecommunications and Information Administration.

LABOR	RATING
Availability of skilled industrial workers	↓
Availability of skilled clerical workers	▬
Availability of technicians and scientists	↓ [5]
Availability of managerial personnel	↓ [6]
Cost of labor	▬ [7]
Level of public and private unionization	↓
Availability of post-secondary vocational training	↑ [9]
Availability of on-the-job training assistance	↑ [10]
Within 1/2 hour of university/college	↑ [11]
Availability of engineering program	↓

During focus group sessions, many of the respondents who are either employers, or who serve as a resource to help train employees for employers, cited the difficulty to find and retain skilled managerial, industrial and technical talent. There was consensus of that opinion from many of the 72 focus groups participants we interviewed.

The cost of labor, though lower than the US average, is higher than NC and one of the two benchmark communities we analyzed (Huntsville is higher).

The level of unionization is a potential challenge as it relates to companies that wish to operate without third party intervention. The overall levels of union membership rates are higher than the State and of the two benchmarked communities. It is one percent lower than the US average.

Post-secondary and higher education received mixed opinions from the 72 focus group participants. Fayetteville Technical Community College receives high marks universally from all respondents. However, there is a strong demand for a branch campus of a marquee state university, e.g. NC State. There is no engineering degree program offered by any of the local higher education institutions, which will typically eliminate Cumberland County from companies that seek to locate in communities with that presence, e.g. Wake County, Durham County, Guilford County, etc.

Access to Resources	Rating
Availability of forest products	↑
Availability of agricultural products for food processing	= [12]
Availability of manufacturing processes	=
Availability of business and professional services	↓ [13]
Cost of electricity for industrial use	=
Availability of high quality electric service	=
Availability of uninterruptible natural gas	=
Cost of water/sewer	↓ [14]

Focus group participants expressed concern that for many professional services, companies feel compelled to do business with firms in Raleigh, Charlotte or elsewhere since availability of those firms are limited in Cumberland County, e.g. certain legal and insurance requirements associated in doing business with the Federal government or DOD contractors.

For large water users such as food processors, rates from the PWC are not as competitive as Augusta or Huntsville. As water becomes a scarce commodity because of drought and growth, water capacity and cost will have an even greater role in company locations, even if they are not large water consumers.

The City of Fayetteville and Cumberland County both contract with the Chamber to serve as the lead economic development organization in Cumberland County. The overall budget for the Chamber's economic development efforts is $1.2 million annually, placing it as one of the larger local economic development budgets in the State. The ratio of 80% public funding is not within the norms of public private economic development partnerships around the US (60% private – 40% public is the norm).

Local Economic Development Program	Rating
Adequate level of professional staff	= [15]
Involvement of both public and private sectors	= [16]
Local economic development organization has a strategic plan	↓
Level of leadership support of economic development program	= [17]
Level of cooperation between various organizations involved in economic development activity	↓ [18]
Level of awareness of community regarding economic development	↓
Level of funding for local economic development program	↑ [19]

Based on the opinion from some in the public arena that fund the Chamber's efforts, from comments by several focus group respondents, and from media stories related to the Chamber and its contracts with the City and County, there is a disconnect between with the City, County and the Chamber on expectations. In our understanding of the contractual relationship between the parties, both public entities are utilizing the Chamber for services not usually performed by a Chamber or private economic development organization (EDO), e.g. land use planning and commercial/neighborhood redevelopment (Murchison Road), which are typically administered by a municipal agency. The Chamber lacks credentials in this area and at the same time, the demands on the Chamber to meet the public funder's expectations with certain services detracts from the Chamber's core mission of business development and recruitment.

Access to Space	Rating
Availability of fully served and attractive industrial sites	[20]
Availability of fully served and attractive office sites	
Reasonably priced sites	
Availability of suitable (available) industrial space	
Availability of suitable (available) office space	

Availability of fully served and attractive industrial sites is a challenge in Cumberland County. Currently, the Chamber's database of available industrial sites lists the Sand HillRoad site in the Cumberland Industrial Center as on the only site of significance that currently meets the definition of a shovel ready site (with infrastructure in place and ready to go).Cedar Creek Business Park does not meet that definition since 3 phase power is not available in the Park. Small office space options are available for professional business services on a small scale throughout Fayetteville.

The City of Fayetteville has finance programs related to downtown loans, façade improvements and business assistance. There is no known venture or early stage capital for entrepreneurial startups.

Access to Capital	Rating
Availability of tax-exempt financing for new industrial facilities	
Availability of low interest loans for small business	[21]
Availability of venture capital or similar early stage funding options for business startups	

Government Impact on Business	Rating
Availability of adequate water and wastewater treatment capacity	↑ [22]
Availability of adequate water and sewer lines to industrial sites	=
Condition and maintenance of local streets	=
Level of traffic-carrying capacity of local streets and highways	↓ [23]
Availability of tax incentives	↓ [24]
Availability of labor training incentives	↑ [25]
Availability of relocation incentives for transferees	↓
SAT Scores	↓ [26]
Quality of post-secondary education	= [27]
Level of state costs for workers' compensation	= [28]
Zoning policies	↓ [29]
Business permitting procedures and costs	↓ [30]
Corporate income taxes	↓ [31]
Combined local tax & fee burden per person	= [32]
State and local sales and use taxes service taxes	↓ [33]
Personal income taxes	↓ [34]

When conducting an assets and challenges assessment for a community related to a strategic plan, many facets of the approach are similar to a mock prospect visit by a site consultant. We ask the respective economic development organizations for data sets that they should typically have on file so that we can gauge the effectiveness of the economic development organization. We also evaluate the community using both objective and subjective analysis based on the same set of criteria that a company would ask us to use when evaluating a community.

Fayetteville ranks as an asset with water and sewer capacity and usage based on the data we received from the Chamber. There is no County wide water and sewer system which limits economic growth potential outside of municipal boundaries.

Many focus group respondents voiced frustration over the volume of traffic related to road capacity. They also expressed concern over the appearance and practice of spot zoning by various municipal entities, and that business permitting is disjointed and inconsistent in the application of rules and procedures by the regulators and inspectors.

SAT scores, which is a measurement of a student’s knowledge capacity used in college entrance, ranks below both the nation and the State of NC.

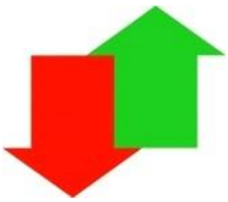
According to the John Locke Foundation, Cumberland County ranks 38th in the combined local and tax fee burden per person out of 100 counties. The higher the number the better (2009 analysis, 2011 report).

Quality of Place	Rating
Availability of executive-level housing	
Availability of moderate cost housing	
Availability of apartments	
Cost of living	[35]
Level of crime	[36]
Level of cultural activity	
Availability of recreational opportunities	
Presence of professional and collegiate sporting events	[37]
Level of air pollution	[38]
General appearance of the community	
Availability of major shopping facilities	
Availability of adequate medical facilities	[39]
Availability of first-class hotels, motels, and resorts	
Quality of local restaurants	
Appearance of the Central Business District	

The majority of the Quality of Place variables were rated as a Neutral. Crime rates as reported by the FBI and compared to all of the benchmarks, is a challenge. Diversity of shopping choices was considered a negative by many of the focus group respondents, as well as the lack of availability of first class hotels, resorts and convention facilities. However, compared to many of the communities we have evaluated or analyzed throughout the US, we consider it a Neutral.

The downtown central business district in Fayetteville shows well and is considered an Asset. However, based on the comments of many focus group respondents and our own observations, the community in general lacks a sense of attractiveness, with no community gateways, limited landscaping of public areas, poor public impression at the Regional Airport for visitors with an aged and at times, dirty terminal, and a perception of rampant growth without thought to planned growth.

SECTION 2: DASHBOARD INDICATORS SUMMARY



The following analysis examines the economic position and competitiveness of the Fayetteville, North Carolina economy. For this analysis, Fayetteville refers to the Metropolitan Statistical Area (MSA) consisting of Cumberland and Hoke Counties. Besides the nation and state of North Carolina, this report also compares Fayetteville to two benchmark communities; Augusta Georgia and Huntsville Alabama.

This analysis relies heavily on raw objective data collected by impartial governmental or impartial third-party agencies. In all cases the original and most current available data as of February 2012 is used. All unique calculations and computations from the original data were conducted by Garner Economics, who will gladly share methodology to clients upon request.

Demographic & Labor Dynamics

Fayetteville has had a population increase of 8.8 percent or 29,697 more residents over the last decade, while positive; the rate of growth is below the nation, and the two benchmark communities.

Over the entire period of 2000-2009, natural growth accounted for 100 percent of net new residents; while net international in-migration and net domestic in-migration made no net contribution.

At 31.0 years, the median age in Fayetteville is considerably less than the benchmarks, state and nation.

The population of Fayetteville has a higher relative proportion of residents in age groups < 5 years, and 20-34 years, than compared to the benchmarks, state, and nation. Similarly, Fayetteville has a lower relative proportion of resident ages 45 and older.

At 9.1 percent, unionization among private businesses in Fayetteville is above both benchmark communities, the state and nation.

Fayetteville has both the highest violent and property crime rates compared to the benchmark communities, the state and nation.

Compared to the state, nation and both benchmark communities, Fayetteville has a notably higher relative proportion of residents whose highest level of educational attainment is *Some college, no degree*, or *Associate's degree*, and a lower proportion with a *Bachelor's* or *Graduate* degree.

Fayetteville has higher relative proportions of *Bachelor's* Degree attainment in the fields of *Physical and Related Sciences*, *Psychology*, *Social Sciences*, *Education*, and *Liberal Arts* and *History*.

Fayetteville's 2011 SAT composite scores are below the state, nation, and Augusta.

Measured as completions per 100,000 residents, Fayetteville is slightly above Augusta and well below Huntsville for the number *Associate, Bachelor's* and *Master's* degree completions in STEM fields.

Within STEM fields, the highest number of **Bachelor'**s degree completions in Fayetteville are in Biological & biomedical sciences (65), followed by Computer & Information Sciences (19), and Mathematics & Statistics (17).

Compared to the state, nation and benchmark communities, Fayetteville attracts a higher proportion of new residents, ages 25 and older, with the highest level of educational attainment as *Some college or Associate's Degree*. Fayetteville attracts a relatively smaller proportion of new residents with educational attainment of *Bachelor's* or *Graduate* or professional degree

Annually, 11.9 percent of the population ages 15 and over is enrolled in a College or Graduate school in Fayetteville, of which 9.5 percent are in public schools and the remaining 2.4 percent in private schools. The total percentage is above both benchmarked communities, the state and nation.

From 2002 to 2009 the number and proportion of workers who both live and work in Fayetteville has declined, down 11.2 percent or 8,002 fewer workers.

Economic Dynamics

Over the last ten years GDP in Fayetteville increased by $3.6 billion or 31.5 percent, while over the last five years GDP increased by $2.4 billion or 19.1 percent. The pace of GDP growth has outpaced the nation, state and Augusta.

Over the last ten years per capita GDP in Fayetteville increased by $7,260 or 21.2 percent, while over the last five years per capita GDP increased by $4,184 billion or 11.2 percent. The five year pace of per capita GDP growth has outpaced the nation, state and both benchmarks.

Fayetteville's average wage per job is 3.1 percent below the nation and 7.4 percent above the state, above Augusta (8.7 percent) and below Huntsville (-10.4 percent).

After adjusting for inflation, over the last ten years, growth in real values for the average wage per job in Fayetteville has increased by 26.6 percent ($7,568) and in the last five years by 11.1 percent ($3,598). The pace is above the nation, state and both benchmarks.

Fayetteville's per capita income is 3.5 percent above the nation and 15.5 percent above the state, above Augusta (18.4 percent) and Huntsville (6.9 percent).

Over the last ten years, growth in real values for the average wage per job in Fayetteville has increased by 36.8 percent ($8,786) and in the last five years by 14.5 percent ($4,131).

In 2009, Federal military expenditures and investment equaled $5.5 billion inflation-adjusted dollars or 37.7 percent of Fayetteville's total GDP. By contrast, Federal military makes up for 1.3 percent of the nation's GDP. The contribution of Federal military to total GDP in Fayetteville has grown from 34.8 percent in 2001 to 37.7 percent in 2009.

In 2009, Federal military employment equaled 53,456 or 24.4 percent of Fayetteville's total employment. By contrast, Federal military employment makes up for 1.2 percent of the nation's total employment. The contribution of Federal military employment in Fayetteville has grown slightly from 23.9 percent of the total in 2001 to 24.4 percent in 2009.

In 2010, compensation for Federal military workers equaled $6.3 billion or 49.5 percent of Fayetteville's total compensation. By contrast, Federal military makes up for 2.2 percent of the nation's total compensation. The contribution of Federal military compensation in Fayetteville has grown from 39.0 percent of the total in 2001 to 49.5 percent in 2010.

In 2009, the average compensation per military worker in Fayetteville equaled $110,807, an increase of 91.9 percent or $53,062 from 2001, unadjusted for inflation. For a private worker, average compensation equaled $30,582, an increase of 26.5 percent or $6,416 from 2001, unadjusted for inflation.

In 2010, military earnings equaled 41.8 percent of per capita income in Fayetteville, a significantly higher proportion than in the nation, state, and both benchmark communities

As of 2009, Fayetteville had exports totaling $218 million. In per capita terms, at $602, Fayetteville exports are well below the state, nation and both benchmark communities.

From 2005 to 2009, per capita exports decreased 62.1 percent after adjusting for inflation; below the nation, state and both benchmark communities.

As of 2009, proprietors accounted for 13.8 percent of total employment in Fayetteville. The percentage is less than in the nation, state or two benchmark communities.

Over the last five years proprietor employment has increased by 19.6 percent in Fayetteville; a pace below the state, nation and both benchmarks.

Fayetteville has a significantly higher proportion of employment in *Government and government enterprises*. Conversely, the area has a lower relative proportion in all private sectors.

Through December 2011, total employment in Fayetteville is up on average 1.4 percent or 1,800 more jobs over the year. The pace is above the nation, state and benchmarks.

Recession losses were not as severe in Fayetteville, with the most severe losses at 2.3 percent, or -3,000, which is less than what was experienced in the nation, state and both benchmarks.

The average unemployment rate for 2011 in Fayetteville is 9.7 percent (representing about 15,390 unemployed persons). The rate is above the nation and both benchmark communities.

At 96.7, the composite Cost-of-Living Index score in Fayetteville is above, but close to both benchmark communities, with all below the nationwide 100 standard.

As ranked amongst 370 US metros, Fayetteville places well in broadband categories measuring access and capacity. The average rank is 133, better than both benchmark communities.

Local Specialization, Competitiveness & Growth

Below are general observations from an in-depth analysis of industry sectors, occupational groups and industry clusters in Fayetteville. This information is not benchmarked to other communities:

- ✓ Over the last five years the largest absolute employment gains came from *Government*, which includes military (up 9,236 jobs or 11 percent). Other significant gains were made in *Professional, Scientific & Technical Services* (up 1,688 jobs or 26 percent) and *Educational Services* (up 1,471 jobs or 84 percent).
- ✓ The greatest job losses have come from the *Construction* industry sector, down 1,827 jobs or 17 percent. The majority remaining absolute losses came from *Transportation & Warehousing* (down 970 jobs or 14 percent), and *Information* (down 711 jobs or 26 percent).
- ✓ Fayetteville's industrial average earnings exceed the national same-industry average in only two industries: *Government* and *Educational Services.*
- ✓ Over the last five years the largest absolute occupational gains came from *Military* (occupational details are not reported, but classified under a single broad Federal category) (up 5,174 jobs or 11 percent). Other significant gains were made in *Education, training, & library* (up 1,848 jobs or 15 percent) and *Business & financial operations* (up 1,570 jobs or 24 percent).
- ✓ Fayetteville's occupational average earnings exceed the national average in only two areas: *Military* and *Farming*.
- ✓ The *Defense & Security* cluster (consisting mostly of direct military employment) has the highest degree of local specialization. Besides *Defense & Security*, *Chemicals & Chemical Based Products* is the only other cluster with high specialization and growth over the last five years. *The Electrical Equipment, Appliance & Component Mfg*. cluster also demonstrates high specialization, but experienced some job losses over the last five years.
- ✓ A positive local competitive effect (showing a competitive advantage) is led by four clusters: *Defense & Security*, *Business & Financial Services*, *Education & Knowledge Creation*, and *Chemicals & Chemical Based Products*.
- ✓ Using standard major industry classifications; only the *Government* sector demonstrates local specialization. *Professional, Scientific & Technical Services*, *Educational Services*, *Health Care & Social Assistance* and *Administrative and Support Services* experienced strong growth over the last five years.
- ✓ Using standard major industry classifications; *Government*, *Professional, Scientific & Technical Services*, *Manufacturing*, *Educational Services*, and *Administrative & Support Services* demonstrated strong local competitive effects over the last five years
- ✓ Over the last five years the largest absolute occupational gains came from the *Military* group. Three other occupational groups experienced growth, and had measures of local specialization: *Healthcare support*, *Education, training, & library*, and *Protective services*

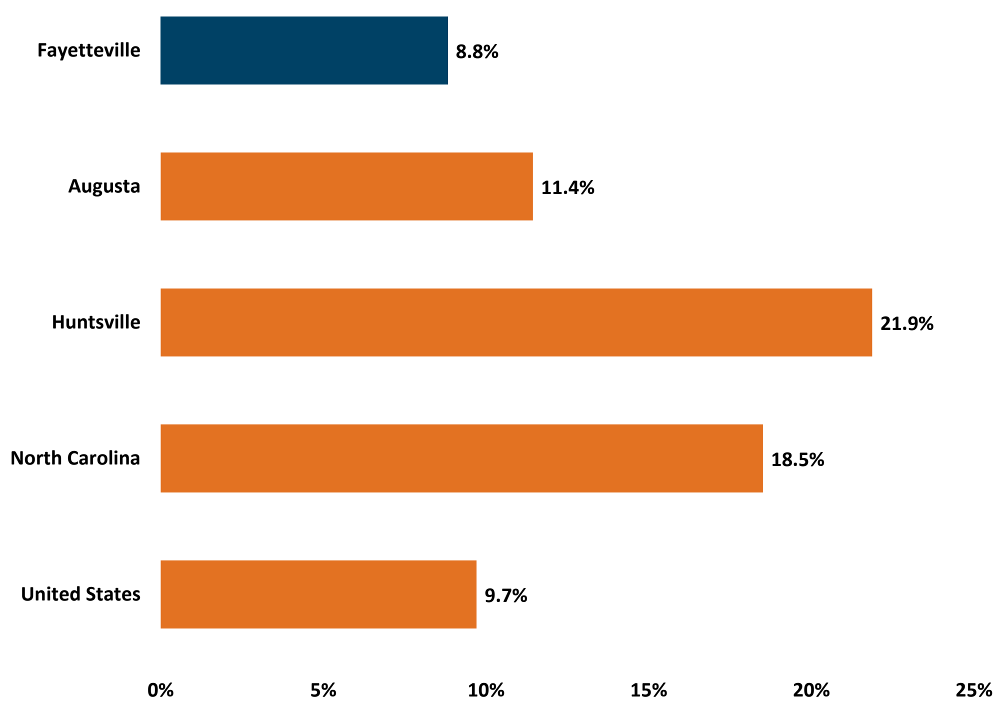
Section 3: Demographic & Labor Dynamics

Population Growth

The rate of population growth can be a significant factor in local economic health, and is often a key consideration in business expansion and site selection decisions. Most firms are wary of areas with population declines, very slow growth rates, or significant amounts of domestic out-migration

According to 2010 Census figures, the total population of Fayetteville equals 366,383. This marks an increase of 8.8 percent or 29,697 more residents over the last decade, the rate is slightly below the nation, and well below the state and two benchmark communities (Figure 1 and Table 1).

Figure 1
2000-2010 Population Change (%)



Source: US Census Bureau, Garner Economics

Table 1
2000-2010 Population Change

	2000	2010	10-Year Change	10-Year Percent Change
Fayetteville	336,686	366,383	29,697	**8.8%**
Augusta	499,711	556,877	57,166	**11.4%**
Huntsville	342,666	417,593	74,927	**21.9%**
North Carolina	8,046,346	9,535,483	1,489,137	**18.5%**
US	281,421,906	308,745,538	27,323,632	**9.7%**

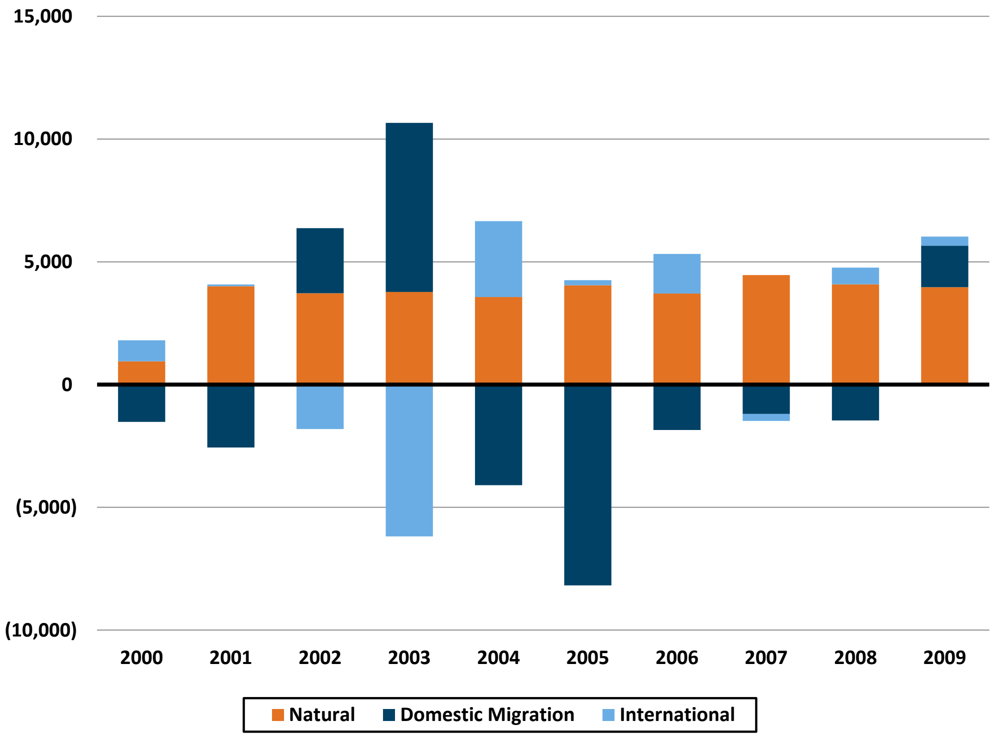
Source: US Census Bureau, Garner Economics

Sources of Population Change

Population change has three major sources: 1) natural (births minus deaths), 2) domestic migration, and, 3) international migration. In general, from a firm's perspective growth dominated from natural or international sources may signal a population less likely to satisfy immediate workforce demands. Other firms, depending on their workforce composition or global reach, may seek communities with strong international growth. In all cases, net domestic out-migration (out-migration exceeding in-migration) is a cause for concern.

Over the entire period of 2000-2009, natural growth accounted for an estimated 100 percent of net new residents; while net international in-migration and net domestic in-migration did not contribute positively over the period (Figure 2 and Table 2). Compared to the benchmarks, Fayetteville has experienced a considerably less balanced source of net population growth over the period (Figure 3 and Table 3).

Figure 2
Fayetteville
Sources of Population Change
2000-2009



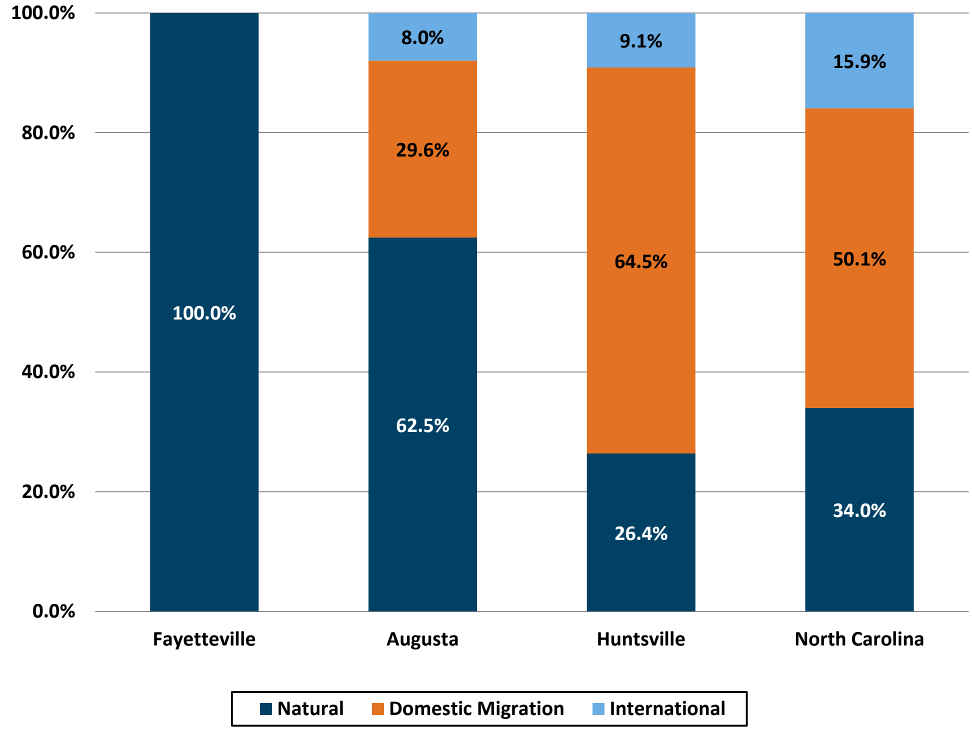
Source: US Census Bureau, Garner Economics

Table 2
Fayetteville
Sources of Population Change
2000-2009

Year	Domestic	International	Natural
2000	946	(1,518)	856
2001	4,006	(2,561)	75
2002	3,721	2,648	(1,812)
2003	3,773	6,889	(6,187)
2004	3,565	(4,099)	3,092
2005	4,043	(8,179)	213
2006	3,709	(1,847)	1,613
2007	4,461	(1,194)	(288)
2008	4,087	(1,458)	681
2009	3,967	1,691	369

Components do not total exactly due to inter-year residual adjustments made by the Census Bureau.
Source: US Census Bureau, Garner Economics

Figure 3
Net Sources of Net Population Growth (%)
2000-2009



**Net Domestic Out-Migration*
Source: US Census Bureau, Garner Economics

Table 3
Sources of Net Population Growth (%)
2000-2009

	Domestic	International	Natural
Fayetteville	100.0%	0.0%	0.0%
Augusta	62.5%	29.6%	8.0%
Huntsville	26.4%	64.5%	9.1%
North Carolina	34.0%	50.1%	15.9%

Source: US Census Bureau, Garner Economics

Population by Race and Hispanic

By itself racial diversity is not a determinant factor in local economic competitiveness, although some firms may prefer higher rates of diversity in order to attract and retain certain workers. This is particularly true for multinational firms looking to attract workers from outside the U.S.

At 50.6 percent, Fayetteville has as a lower relative proportion of its population categorizing themselves as *White* compared to the benchmarks, state and nation (Table 4).The *Hispanic or Latino* population makes up a relatively larger proportion in Fayetteville than in both benchmark communities, but less than nationwide.

Table 4
2010
*Race & Hispanic by Percent of Total Population**

	Fayetteville	Augusta	Huntsville	North Carolina	United States
White	50.6	58.4	70.6	68.5	72.4
Black or African American	36.3	35.3	21.7	21.5	12.6
American Indian and Alaska Native	2.6	0.3	0.7	1.3	0.9
Asian	2.1	1.7	2.2	2.2	4.8
Native Hawaiian and Other Pacific Islander	0.4	0.1	0.1	0.1	0.2
Some Other Race	3.5	1.7	2.3	4.3	6.2
Two or More Races	4.6	2.3	2.3	2.2	2.9
Hispanic or Latino (of any race)	9.8	4.4	4.8	8.4	16.3

**Race alone or in combination with one or more other races.*
Source: US Census Bureau, Garner Economics

Age

The age composition of a local population can be an important determinant in business decisions and competitiveness. The lack or underrepresentation of younger workers may defer firms from considering some communities for their long term plans. Low proportions of middle age workers may prevent firms from initiating expansions requiring quick start-up operations. A high proportion of older workers may indicate certain incumbent skills or the need to replace soon-to-retire workers.

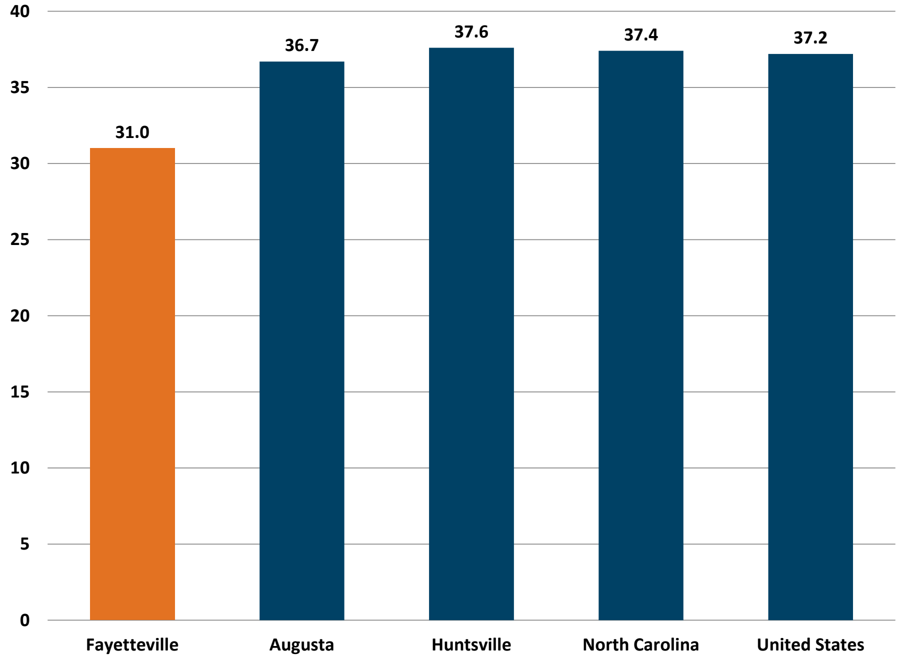
Median Age

At 31.0 years, the median age in Fayetteville is considerably less than the benchmarks, state and nation (Figure 4 and Table 5).

Age Group Composition

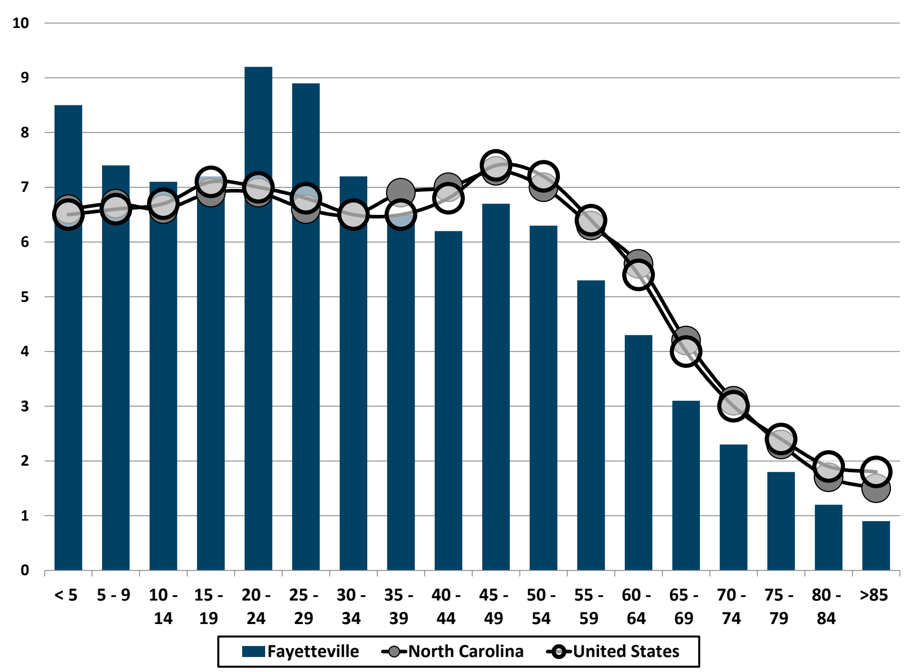
The population of Fayetteville has a higher relative proportion of residents in age groups < 5 years, and 20-34 years, than compared to the benchmarks, state, and nation (Figure 5, Figure 6 and Table 5). Similarly, Fayetteville has a lower relative proportion of resident ages 45 and older.

Figure 4
Median Age 2010



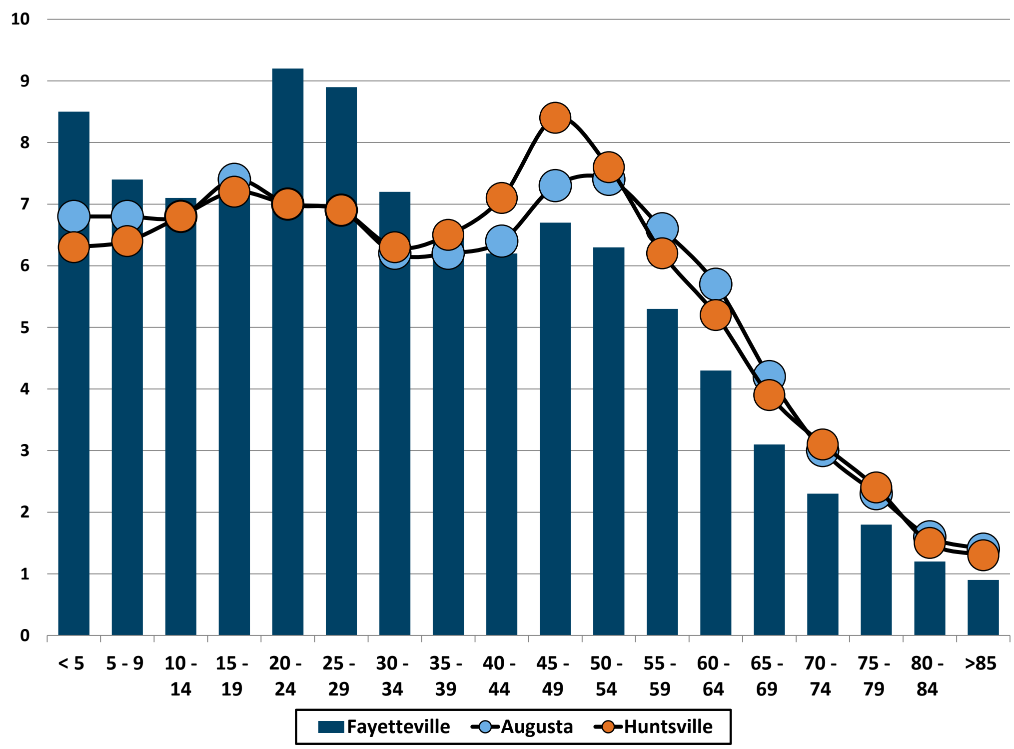
Source: US Census Bureau, Garner Economics

Figure 5
Age Groups by Percent of Total Population
2010



Source: US Census Bureau, Garner Economics

Figure 6
Age Groups by Percent of Total Population
2010



Source: US Census Bureau, Garner Economics

Table 5
Age Groups by Percent of Total Population
2010

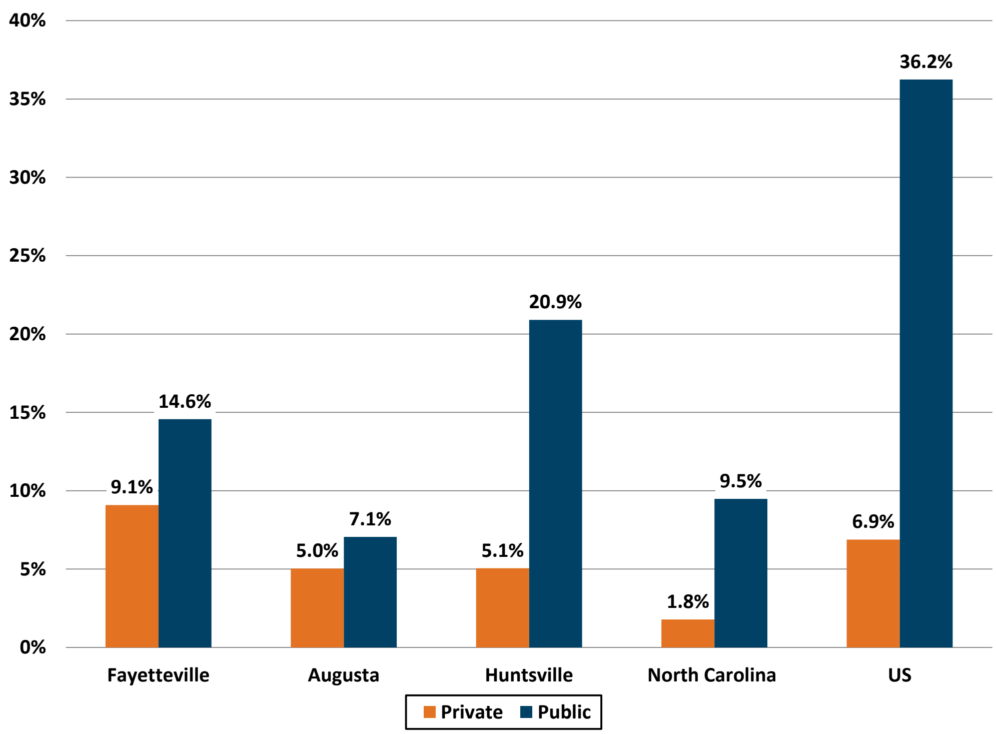
	Fayetteville	Augusta	Huntsville	North Carolina	United States
Median Age	31.0	36.7	37.6	37.4	37.2
< 5	8.5	6.8	6.3	6.6	6.5
5 - 9	7.4	6.8	6.4	6.7	6.6
10 - 14	7.1	6.8	6.8	6.6	6.7
15 - 19	7.2	7.4	7.2	6.9	7.1
20 - 24	9.2	7	7	6.9	7
25 - 29	8.9	6.9	6.9	6.6	6.8
30 - 34	7.2	6.2	6.3	6.5	6.5
35 - 39	6.5	6.2	6.5	6.9	6.5
40 - 44	6.2	6.4	7.1	7	6.8
45 - 49	6.7	7.3	8.4	7.3	7.4
50 - 54	6.3	7.4	7.6	7	7.2
55 - 59	5.3	6.6	6.2	6.3	6.4
60 - 64	4.3	5.7	5.2	5.6	5.4
65 - 69	3.1	4.2	3.9	4.2	4
70 - 74	2.3	3	3.1	3.1	3
75 - 79	1.8	2.3	2.4	2.3	2.4
80 - 84	1.2	1.6	1.5	1.7	1.9
>85	0.9	1.4	1.3	1.5	1.8

Source: US Census Bureau, Garner Economics

Unionization

At 9.1 percent, unionization among private businesses in Fayetteville is above both benchmark communities, the state and nation (Figure 7 and Table 6). The public sector unionization rate (14.6 percent) is above Augusta and the state.

Figure 7
Unionization Rates (%)
2010



Source: © 2011 by Barry T. Hirsch and David A. Macpherson

Table 6
Unionization Rates (%)
2010

	Private	Public
Fayetteville	9.1%	14.6%
Augusta	5.0%	7.1%
Huntsville	5.1%	20.9%
North Carolina	1.8%	9.5%
US	6.9%	36.2%

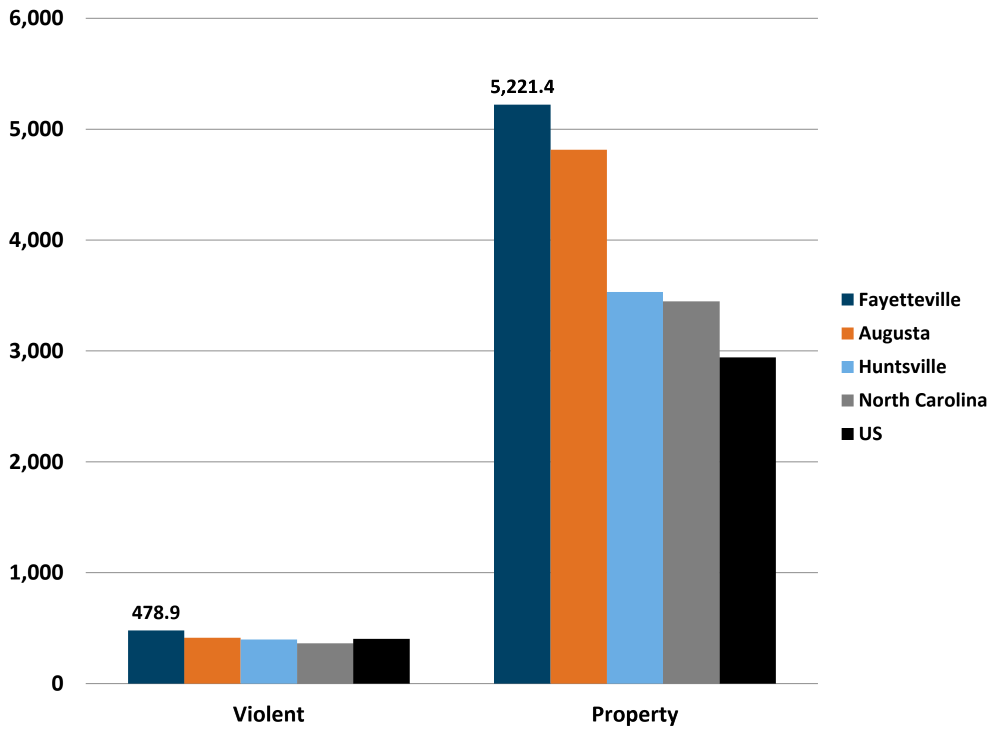
Source: © 2011 by Barry T. Hirsch and David A. Macpherson

Crime

Crime rates may seem outside the typical measures of economic competitiveness, but they represent a widely-accepted objective gauge used by firms. Crime rates generally reflect underlying economic conditions, and may signal deeper systemic problems better than standard economic measures.

Fayetteville has both the highest violent and property crime rates compared to the benchmark communities, the state and nation (Figure 8 and Table 7).

Figure 8
Crime Rate per 100,000 Residents
2010



Source: Federal Bureau of Investigation, Garner Economics

Table 7
Crime Rate per 100,000 Residents
2010

	Violent	Property
Fayetteville	478.9	5,221.4
Augusta	412.9	4,815.3
Huntsville	398.0	3,531.7
North Carolina	363.4	3,447.3
US	403.6	2,941.9

Source: Federal Bureau of Investigation, Garner Economics

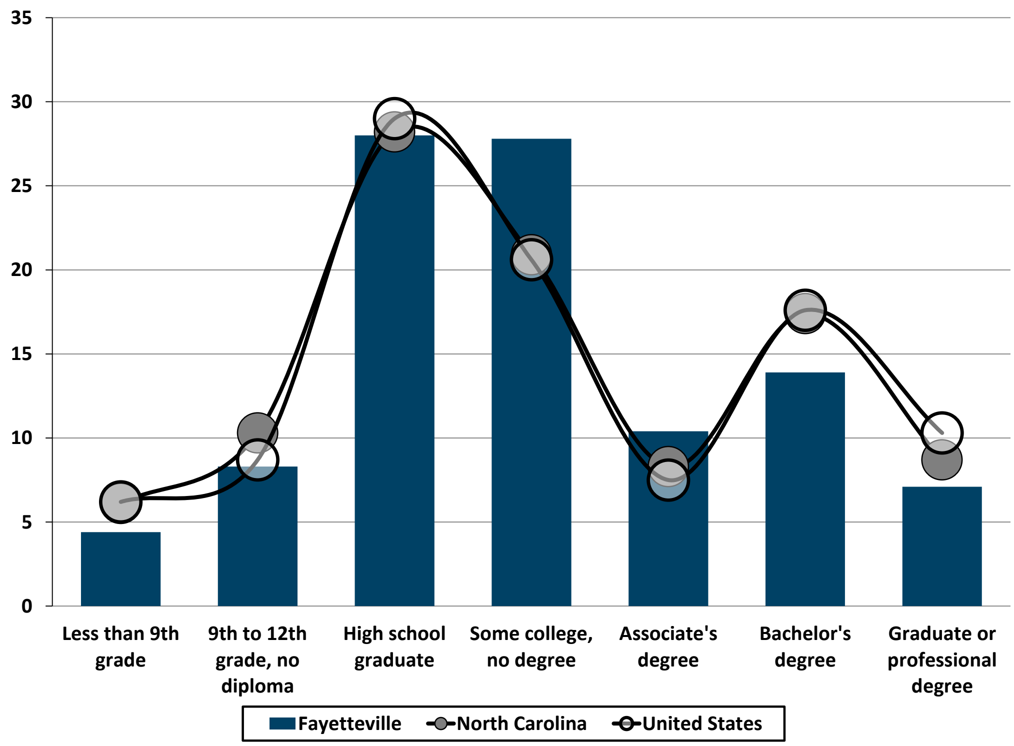
Education

Increasingly, the level of education of a communities' population is becoming a decisive factor in economic competitiveness. Firms understand the need to operate in economies that offer a sufficient supply of workers that meet or exceed their demands. They also know that the lack of an educated workforce can significantly affect business performance.

Educational Attainment

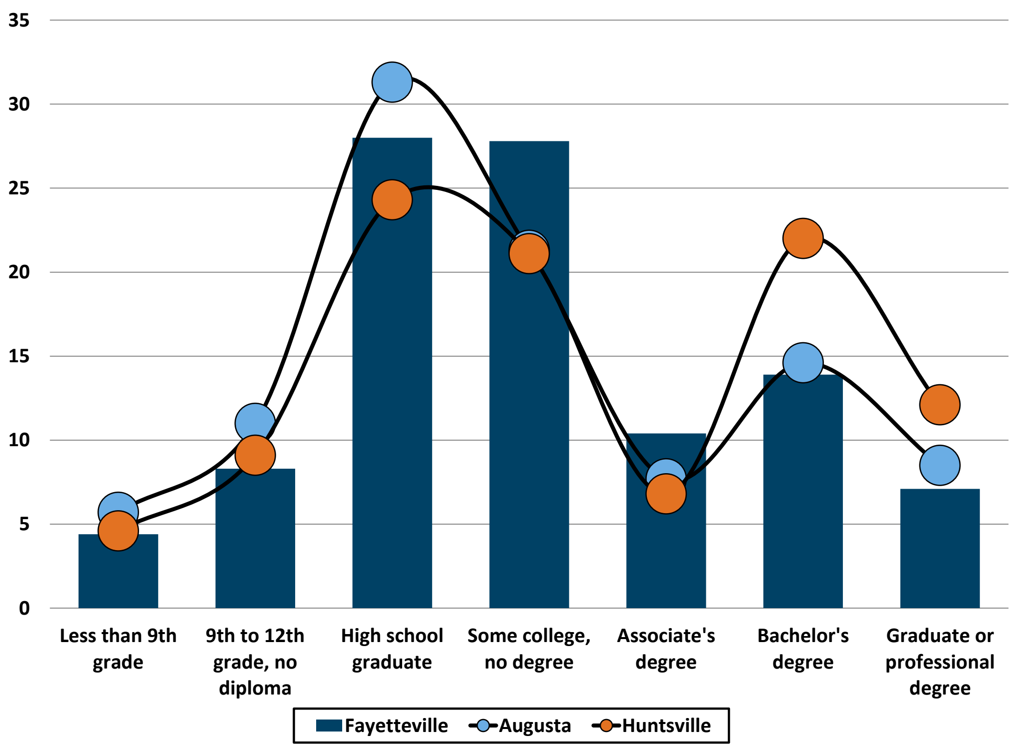
Comparing levels of educational attainment reveals a distinct characteristic among Fayetteville's residents ages 25 and over. Compared to the state, nation and both benchmark communities, Fayetteville has a notably higher relative proportion of residents whose highest level of educational attainment is *some college, no degree*, or *Associate's degree*, and a lower proportion with a *Bachelor's* or *Graduate* degree (Figure 9, Figure 10 and Table 8).

Figure 9
Educational Attainment Percent Total Population Age 25+
2006-2010 5-Year Annual Estimate



Source: US Census Bureau, Garner Economics

Figure 10
Educational Attainment Percent Total Population Age 25+
2006-2010 5-Year Annual Estimate



Source: US Census Bureau, Garner Economics

Table 8
Educational Attainment Percent Total Population Age 25+
2006-2010 5-Year Annual Estimate

	Fayetteville	Augusta	Huntsville	North Carolina	United States
Less than 9th grade	4.4	5.7	4.6	6.1	6.2
9th to 12th grade, no diploma	8.3	11	9.1	10.3	8.7
High school graduate	28	31.3	24.3	28.2	29
Some college, no degree	27.8	21.3	21.1	20.9	20.6
Associate's degree	10.4	7.7	6.8	8.3	7.5
Bachelor's degree	13.9	14.6	22.0	17.4	17.6
Graduate or professional degree	7.1	8.5	12.1	8.7	10.3

Source: US Census Bureau, Garner Economics

Field of Bachelor's Degree

Beyond the level of educational attainment, the specific fields in which residents hold degrees may offer implications on the competitiveness and applicability of local knowledge and skills. Fayetteville has higher relative proportions of Bachelor's Degree attainment in the fields of Physical and Related Sciences, Psychology, Social Sciences, Education, and Liberal Arts and History (Table 9).

Table 9
Field of Bachelor's Degree by Percent Total
*2010 Estimate (highest percentages in **bold**)*

	Fayetteville		Augusta	Huntsville	North Carolina	United States
	#	%				
Science and Engineering						
Computers, Mathematics and Statistics	2,143	3.8%	4.5%	**7.0%**	4.3%	4.3%
Biological, Agricultural, and Environmental Sciences	2,513	4.4%	6.2%	3.6%	**6.2%**	6.0%
Physical and Related Sciences	2,611	**4.6%**	3.9%	3.9%	3.9%	3.6%
Psychology	3,745	**6.6%**	4.5%	3.2%	4.9%	4.8%
Social Sciences	5,891	**10.4%**	5.3%	4.6%	7.9%	8.3%
Engineering	1,311	2.3%	7.5%	**18.6%**	6.6%	7.4%
Multidisciplinary Studies	377	0.7%	0.6%	0.7%	0.6%	0.6%
Science and Engineering Related Fields	4,761	8.4%	**13.7%**	8.9%	9.0%	8.9%
Business	9,619	17.0%	19.8%	**22.0%**	19.5%	19.5%
Education	9,772	**17.3%**	15.7%	12.1%	14.0%	13.5%
Arts, Humanities, and Other						
Literature and Languages	1,699	3.0%	3.4%	2.9%	4.5%	**4.8%**
Liberal Arts and History	4,765	**8.4%**	3.7%	4.0%	5.5%	5.4%
Visual and Performing Arts	754	1.3%	2.4%	1.7%	3.2%	**4.1%**
Communications	1,091	1.9%	2.6%	2.1%	3.5%	**3.7%**
Other	5,562	**9.8%**	6.1%	4.8%	6.4%	5.2%

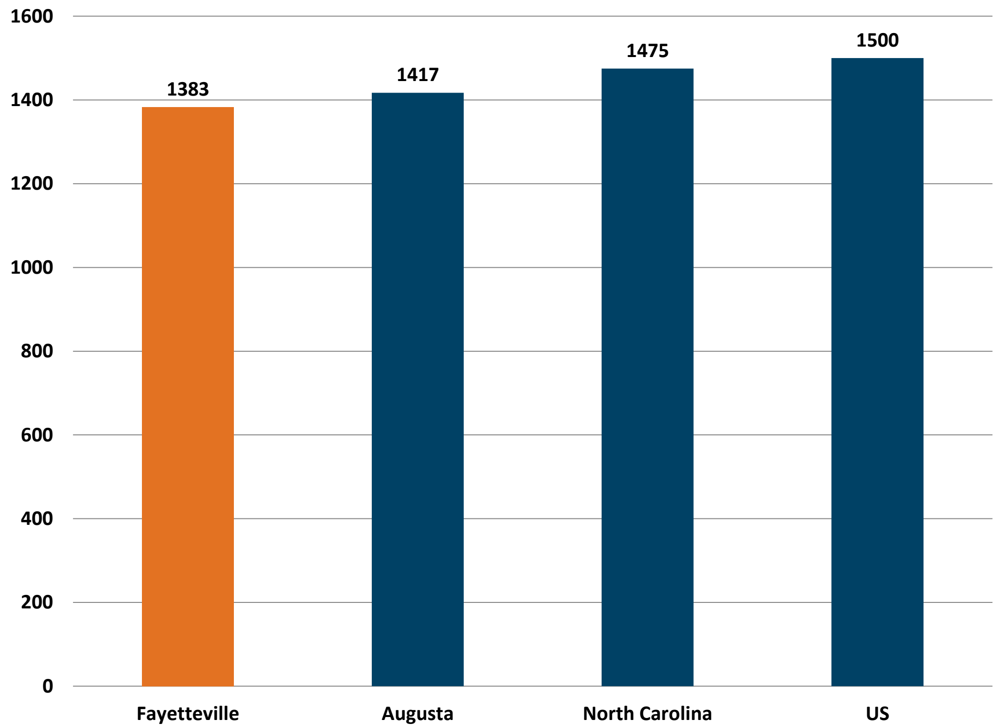
Source: US Census Bureau, Garner Economics

SAT Scores

The SAT Reasoning Test is a standardized test for college admissions in the United States, and a widely accepted measure of education quality. SAT scores are especially relevant to businesses because they provide a measure of the "final product" of public schools, and the educational quality of those entering the workforce. Unfortunately SAT scores are not readily available for all school systems nationwide.

At 1383, Fayetteville's 2011 SAT composite scores are below the state, nation, and Augusta (Figure 11 and Table 10). Alabama does not publish SAT scores so Huntsville results were unavailable.

Figure 11
*2010-2011 SAT Composite Scores**



**Alabama does not publish SAT scores.*
Source: North Carolina Department of Public Instruction, Georgia Department of Education, South Carolina Department of Education, Garner Economics

Table 10
*2010-2011 SAT Composite Scores**

	Composite Score
Fayetteville (2-county weighted average)	1383
Augusta (six county average)	1417
Cumberland County	1390
Hoke county	1317
North Carolina	1475
US	1500

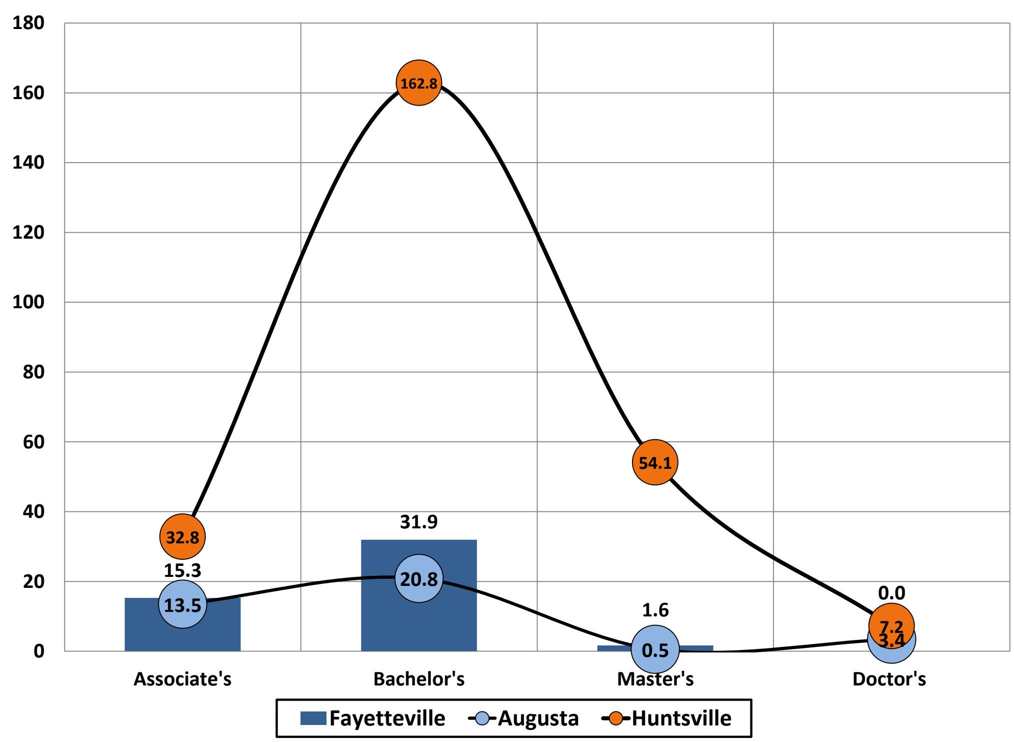
**Alabama does not publish SAT scores.*
Source: North Carolina Department of Public Instruction, Georgia Department of Education, South Carolina Department of Education, Garner Economics

STEM Degree Completions

Degree completions in STEM fields (Science, Technology, Engineering and Mathematics) are an important indicator of regional competitiveness and economic potential. STEM-related careers are amongst some of the best-paying jobs, typically having excellent potential for future growth. Measured as *completions per 100,000 residents*, and compared to the benchmarks, Fayetteville is slightly above Augusta and well below Huntsville for the number Associate, Bachelor's and Master's degree completions in STEM fields (Figure 12 and Table 11). No Doctorate degrees were granted in STEM fields in Fayetteville in 2010.

Within STEM fields, the highest number of Bachelor's degree completions in Fayetteville are in *Biological & biomedical sciences* (65), followed by *Computer & Information Sciences* (19), and *Mathematics &Statistics* (17) (Figure 13 and Table 12).

Figure 12
2010 STEM Degree Completions
Per 100,000 Residents



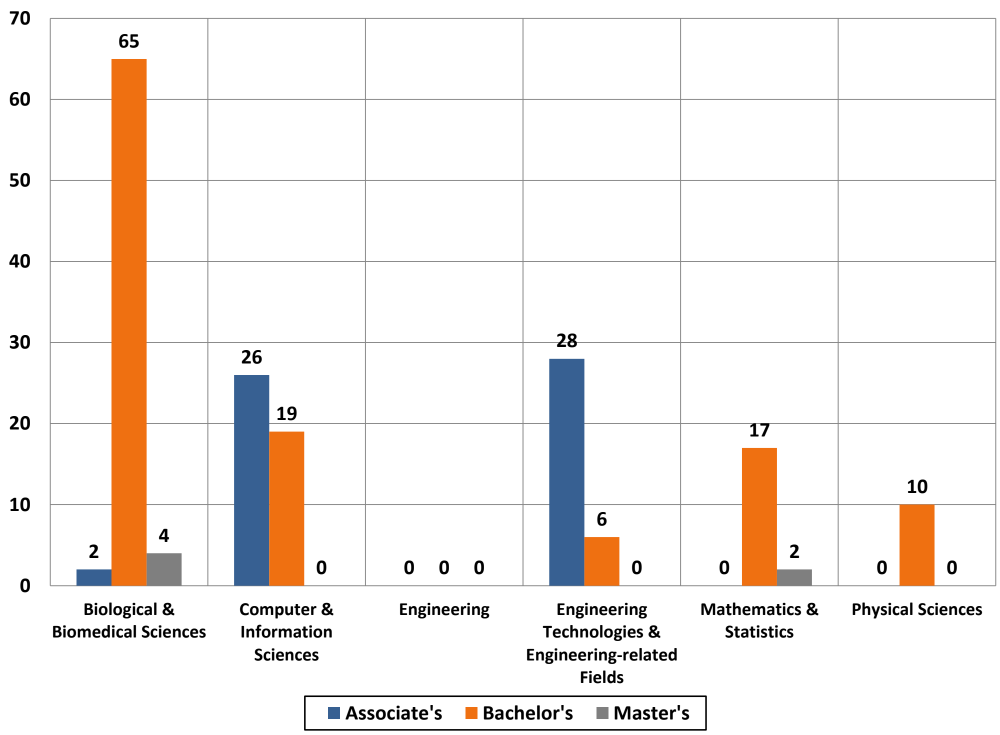
Source: National Center for Education Statistics, Garner Economics

Table 11
STEM Degree Completions 2010
Rate per 100,000 Residents (Degrees)

	Associate's	Bachelor's	Master's	Doctor's	Total
Fayetteville	15.3 (56)	31.9 (117)	1.6 (6)	0.0	48.9 (179)
Augusta	13.5 (75)	20.8 (116)	0.5 (3)	3.4 (19)	38.2 (213)
Huntsville	32.8 (137)	162.8 (680)	54.1 (226)	7.2 (30)	256.9 (1,073)

Source: National Center for Education Statistics, Garner Economics

Figure 13
Annual STEM Completions
Fayetteville 2010



Source: National Center for Education Statistics, Garner Economics

Table 12
Annual STEM Completions
Fayetteville 2010

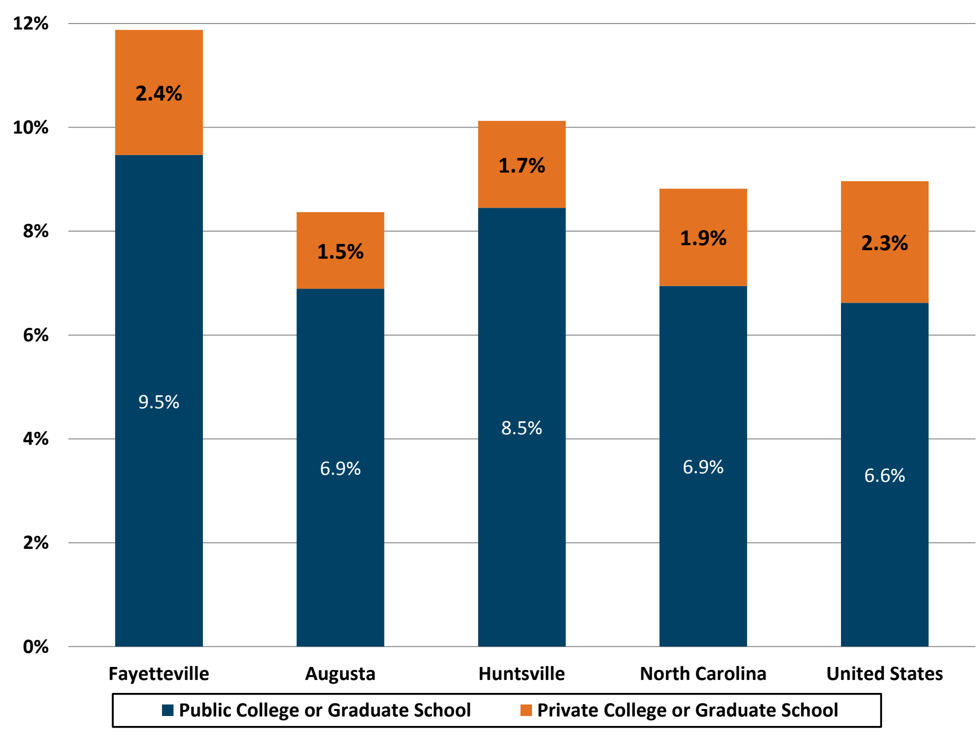
	Associate's	Bachelor's	Master's	Total
Biological & Biomedical Sciences	2	65	4	71
Computer & Information Sciences	26	19	0	45
Engineering	0	0	0	0
Engineering Technologies & Engineering-related Fields	28	6	0	34
Mathematics & Statistics	0	17	2	19
Physical Sciences	0	10	0	10

Source: National Center for Education Statistics, Garner Economics

College or Graduate School Enrollment

Annually, 11.9 percent of the population ages 15 and over is enrolled in a College or Graduate school in Fayetteville, of which 9.5 percent are in public schools and the remaining 2.4 percent in private schools (Figure 14 and Table 13).The total percentage is above both benchmark communities, the state and nation.

Figure 14
Percent Population Enrolled in College or Graduate School
Ages 15 and Over
2008-2010 Annual Estimate



Source: US Census Bureau, Garner Economics

Table 13
Percent Population Enrolled in College or Graduate School
Ages 15 and Over
2008-2010 Annual Estimate

	Fayetteville		Augusta	Huntsville	North Carolina	US
	#	%				
Public	26,025	9.5%	6.9%	8.5%	6.9%	6.6%
Private	6,629	2.4%	1.5%	1.7%	1.9%	2.3%

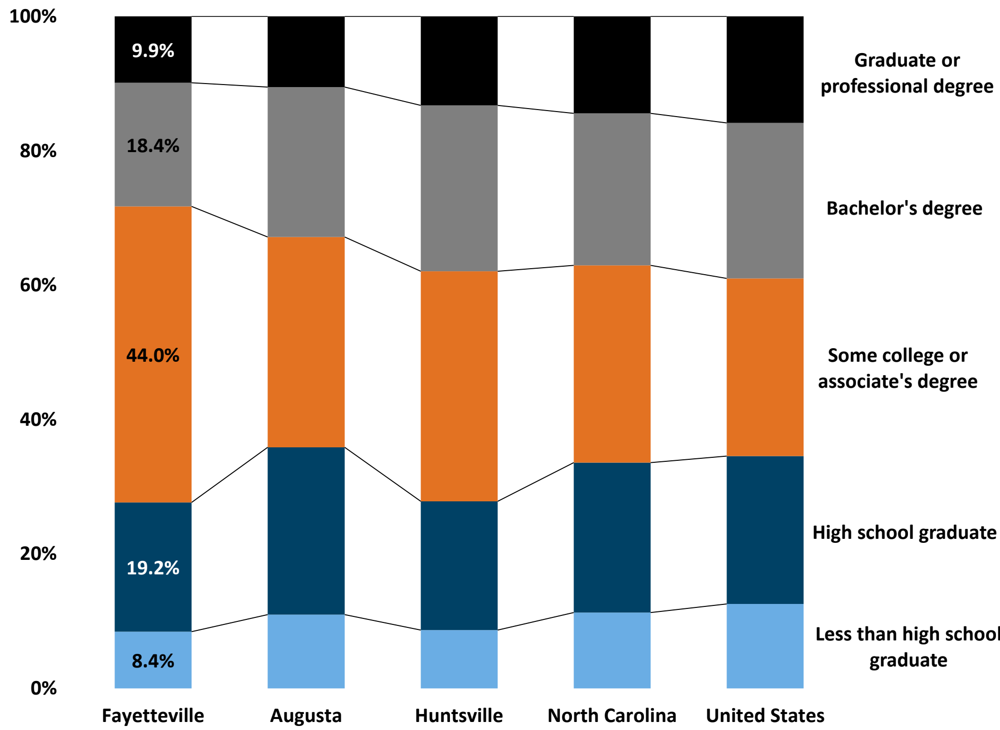
Source: US Census Bureau, Garner Economics

Population In-Migration by Educational Attainment

Compared to the state, nation and benchmark communities, Fayetteville attracts a higher proportion of new residents, ages 25 and older, with the highest level of educational attainment as *some college or Associate's degree* (Figure 15 and Table 14). Annual estimates equal 6,969 persons or 44.0 percent of total in-migration. Fayetteville attracts a relatively smaller proportion of new residents with educational attainment of *Bachelor's* or *Graduate or professional degree* compared to the state, nation and benchmark communities.

It should be noted that the data collection and methodology for these figures differs from that reported earlier pertaining to the *sources of population change*. The *In-Migration by Educational Attainment* data sample is smaller and should be used as a measure of relative comparison across geographies rather than an exact absolute measure.

Figure 15
Educational Attainment by Percent of In-Migration Population
Ages 25 and over
2006-2010 5-Year Annual Estimates



Source: US Census Bureau, Garner Economics

Table 14
Educational Attainment by Percent of In-Migration Population
Ages 25 and over
2006-2010 5-Year Annual Estimates
*(Highest percentages in **bold**)*

	Fayetteville #	Fayetteville %	Augusta	Huntsville	North Carolina	US
Less than high school graduate	1,334	8.4%	11.0%	8.7%	11.3%	**12.6%**
High school graduate	3,044	19.2%	**24.9%**	19.1%	22.3%	22.0%
Some college or associate's degree	6,969	**44.0%**	31.3%	34.2%	29.4%	26.4%
Bachelor's degree	2,912	18.4%	22.3%	**24.7%**	22.6%	23.1%
Graduate or professional degree	1,563	9.9%	10.5%	13.3%	14.4%	**15.9%**

Source: US Census Bureau, Garner Economics

Worker Flows

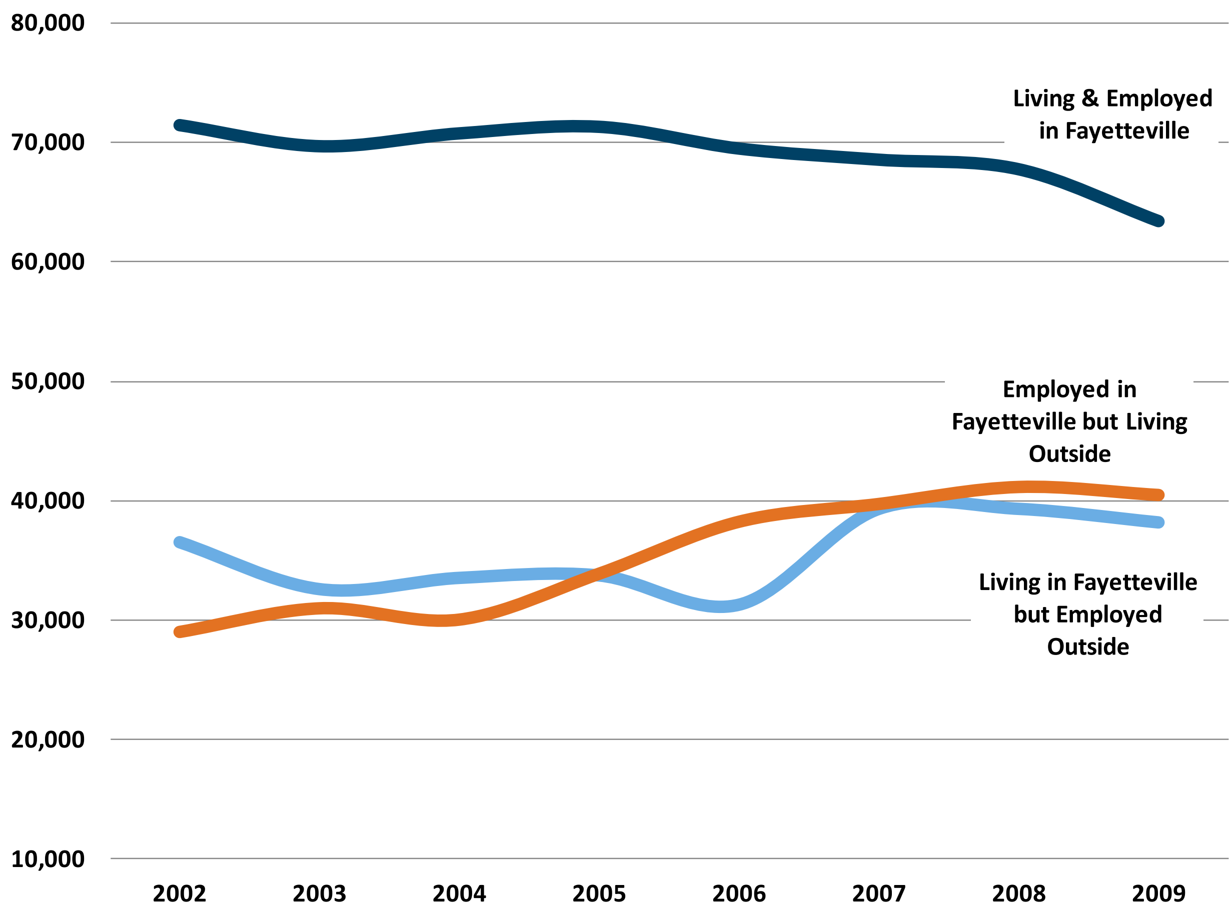
Worker flows help define the size of a local economy's labor draw, and trends help describe attraction and regional competition. Worker flows represent both daily commuters, and short-term away-from-home assignments (major construction projects, onsite-consulting, etc.).

From 2002 to 2009 the number and proportion of workers who both live and work in the Fayetteville metro has declined, down 11.2 percent or 8,002 fewer workers (Figure 16 and Table 15). Over the same period, the number of workers "Employed in the Fayetteville metro but Living Outside" increased by 39.8 percent or 11,523. Additionally, the number of workers "Living in the Fayetteville metro but Employed Outside" increased by 4.5 percent or 1,659 workers.

Unsurprisingly, Cumberland County has the highest relative proportion of workers who live and work in the two-county metro, at 59,445 or 58.9 percent of the total (Table 16). Wake County is the work location for the second highest proportion of residents living in the metro, which may reflect short-term away-from-home assignments (major construction projects, onsite-consulting, etc.), or government employment headquartered in Raleigh.

When measuring the resident location of the workforce in the Fayetteville metro; besides the two-county metro (Cumberland and Hoke), Harnett and Robeson counties are the top sources of workers, each supplying just over four percent of the workforce (Table 17).

Figure 16
Worker Flows
Fayetteville Metro



Source: US Census Bureau, Garner Economics

Table 15
Worker Flows
Fayetteville Metro

	2009	2002-2009 Change	
Living & Employed in the Fayetteville Metro	63,436	-8,002	-11.2%
Living in the Fayetteville Metro but Employed Outside (out-commute)	38,213	1,659	4.5%
Employed in the Fayetteville Metro but Living Outside (in-commute)	40,504	11,523	39.8%

Source: US Census Bureau, Garner Economics

Table 16
Where Workers are Employed
who Live in the Fayetteville Metro
Top Ten 2009

County	Number	Percent
Cumberland	59,445	58.5%
Wake	7,033	6.9%
Hoke	3,991	3.9%
Robeson	3,887	3.8%
Mecklenburg	2,405	2.4%
Moore	1,902	1.9%
Harnett	1,654	1.6%
Guilford	1,443	1.4%
Durham	1,370	1.3%
New Hanover	1,052	1.0%

Source: US Census Bureau, Garner Economics

Table 17
Where Workers Live
who are Employed in the Fayetteville Metro
Top Ten 2009

County	Number	Percent
Cumberland	57,205	55.0%
Hoke	6,231	6.0%
Harnett	4,608	4.4%
Robeson	4,425	4.3%
Wake	3,143	3.0%
Sampson	2,122	2.0%
Moore	1,677	1.6%
Mecklenburg	1,628	1.6%
Bladen	1,149	1.1%
Guilford	1,052	1.0%

Source: US Census Bureau, Garner Economics

SECTION 4: ECONOMIC DYNAMICS

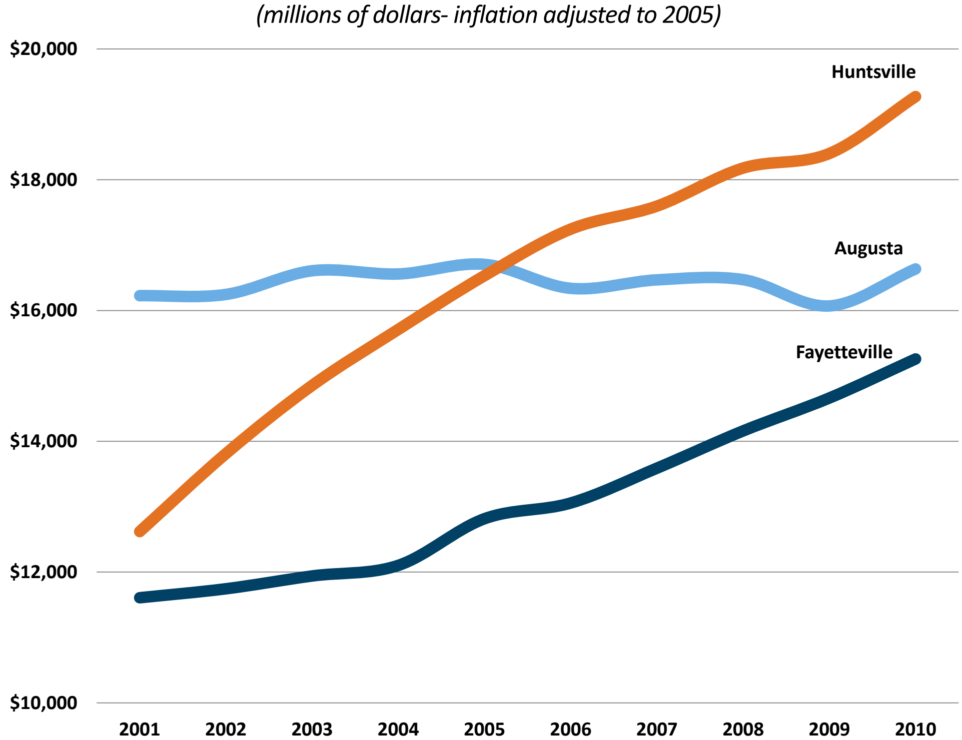
Gross Domestic Product

Gross Domestic Product (GDP) is the most comprehensive measure of economic activity or output. GDP for metro areas is derived as the sum of the GDP originating in all the industries in the area. GDP for metro areas is only available for the years 2001-2010. In 2010, the inflation adjusted real GDP for Fayetteville was $15.3 billion (Figure 17 and Table 18). Over the last ten years GDP in Fayetteville increased by $3.6 billion or 31.5 percent, while over the last five years GDP increased by $2.4 billion or 19.1 percent. The pace of GDP growth has outpaced the nation, state and Augusta.

Measured in per capita terms, at $41,495 Fayetteville has a higher amount of economic activity than the state, and Augusta, yet slightly below the nation and Huntsville (Figure 18 and Table 19). Over the last ten years per capita GDP in Fayetteville increased by $7,260 or 21.2 percent, while over the last five years per capita GDP increased by $4,184 billion or 11.2 percent. The five year pace of per capita GDP growth has outpaced the nation, state and both benchmarks.

See *Impact of Military* below for details on the influence of military activity in Fayetteville on GDP.

Figure 17
Real Gross Domestic Product
(millions of dollars- inflation adjusted to 2005)



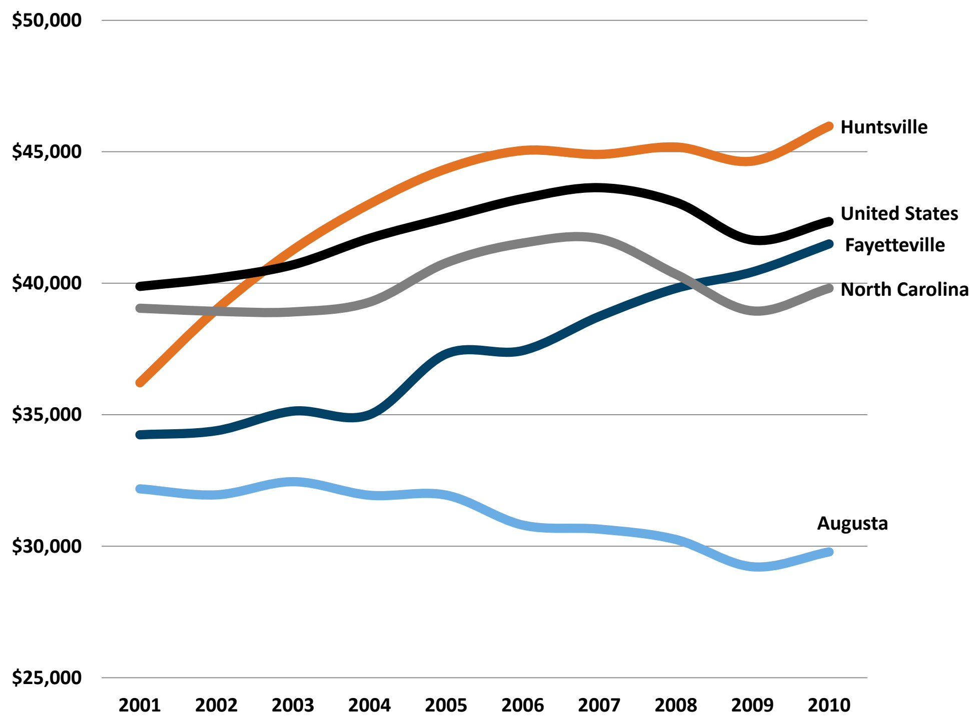
Source: US Bureau of Economic Analysis, Garner Economics

Table 18
Real Gross Domestic Product
(millions of dollars- inflation adjusted to 2005)

	2010	2001- 2010 Change Dollars	%	2005- 2010 Change Dollars	%
Augusta	$16,636	$409	2.5%	-$70	-0.4%
Fayetteville	$15,259	$3,652	31.5%	$2,443	19.1%
Huntsville	$19,272	$6,653	52.7%	$2,739	16.6%
North Carolina	$380,631	$60,037	18.7%	$25,658	7.2%
United States	$13,099,722	$1,735,483	15.3%	$545,184	4.3%

Source: US Bureau of Economic Analysis, Garner Economics

Figure 18
Per Capita Real Gross Domestic Product
(inflation adjusted to 2005)



Source: US Bureau of Economic Analysis, Garner Economics

Table 19
Per Capita Real Gross Domestic Product
(inflation adjusted to 2005)

		2001- 2010 Change		2005- 2010 Change	
	2010	Dollars	%	Dollars	%
Augusta	$29,782	-$2,398	-7.5%	-$2,160	-6.8%
Fayetteville	$41,495	$7,260	21.2%	$4,184	11.2%
Huntsville	$45,975	$9,761	27.0%	$1,624	3.7%
North Carolina	$39,808	$760	1.9%	-$968	-2.4%
United States	$42,346	$2,467	6.2%	-$137	-0.3%

Source: US Bureau of Economic Analysis, Garner Economics

Average Wage Per Job

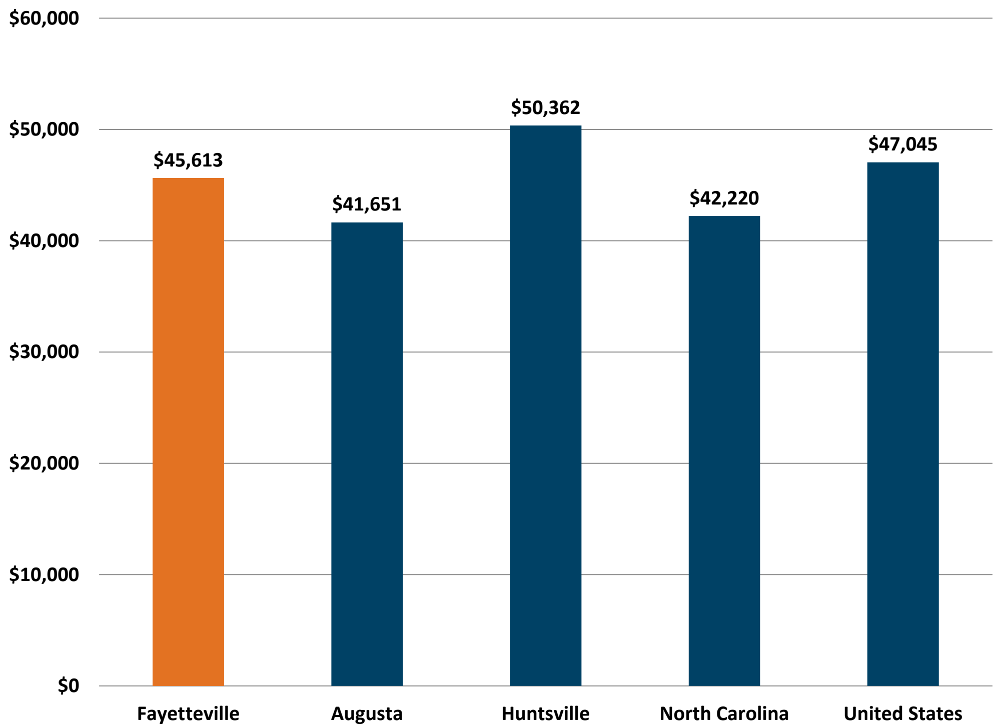
According to the U.S. Bureau of Economic Analysis, in 2010 Fayetteville's average wage per job equals $45,613.[1] The figure is 3.1 percent below the nation and 7.4 percent above the state (Figure 19 and Table 20). Fayetteville's average wage per job is above Augusta (8.7 percent) and below Huntsville percent). Over the last ten years, the nominal (unadjusted for inflation) average wage per job in Fayetteville has increased by 60.3 percent; the pace is well above the nation, state and both benchmark communities. Over the five most recent years, the rate of growth is 24.0 percent, again, above the nation, state and both benchmark communities.

Correcting growth in the average wage per job to real values (adjusting for inflation) provides a more realistic view of the actual spending value of the wage dollars. Over the last ten years, growth in real values for the average wage per job in Fayetteville has increased by 26.6 percent ($7,568) and in the last five years by 11.1 percent ($3,598) (Figure 20 and Table 20).

See *Impact of Military* below for details on the influence of military activity in Fayetteville on compensation.

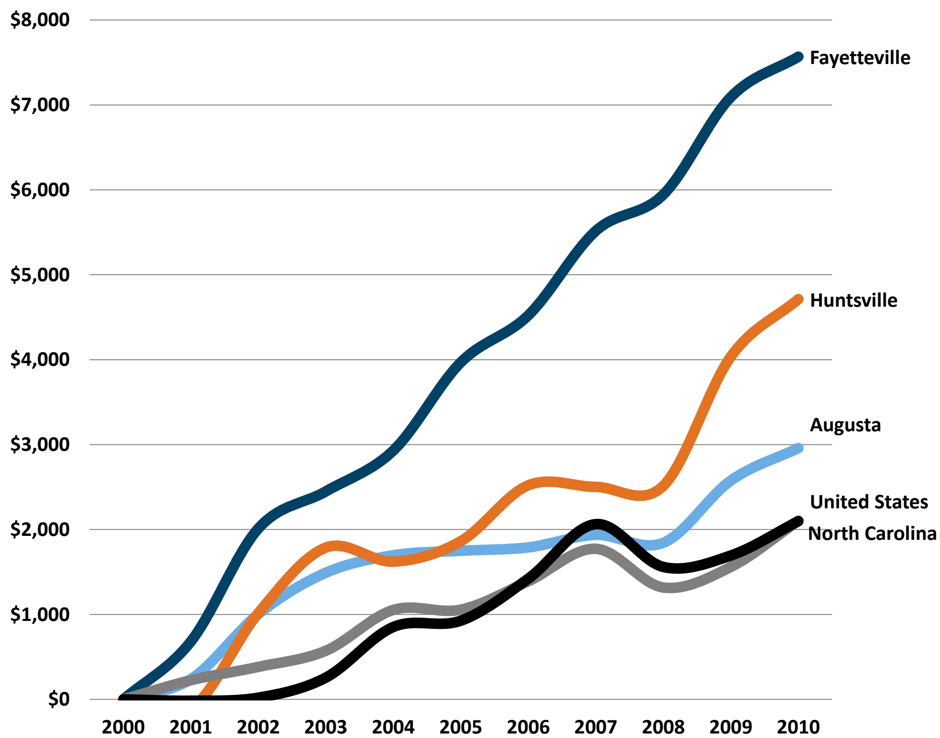
[1]Average wage per job is wage and salary disbursements divided by the number of wage and salary jobs (total wage and salary employment). Wage and salary disbursements consists of the monetary remuneration of employees, including the compensation of corporate officers; commissions, tips, and bonuses; and receipts in kind, or pay-in-kind, such as the meals furnished to the employees of restaurants.

Figure 19
Average Wage Per Job - 2010



Source: US Bureau of Economic Analysis, Garner Economics

Figure 20
Ten-Year Change in Average Wage per Job
Adjusted for Inflation (year 2000 = 0)



Source: US Bureau of Economic Analysis, Garner Economics

Table 20
Average Wage Per Job

	2010	10-Year Change				5-Year Change			
		Unadjusted		Inflation Adjusted		Unadjusted		Inflation Adjusted	
		$	%	$	%	$	%	$	%
Fayetteville	$45,613	$17,160	60.3%	$7,568	26.6%	$8,841	24.0%	$3,598	11.1%
Augusta	$41,651	$11,718	39.1%	$2,959	9.9%	$5,718	15.9%	$1,209	3.8%
Huntsville	$50,362	$15,304	43.7%	$4,713	13.4%	$8,488	20.3%	$2,850	7.7%
North Carolina	$42,220	$10,983	35.2%	$2,104	6.7%	$5,594	15.3%	$1,047	3.2%
United States	$47,045	$11,992	34.2%	$2,098	6.0%	$6,238	15.3%	$1,172	3.3%

Source: US Bureau of Economic Analysis, Garner Economics

Per Capita Income

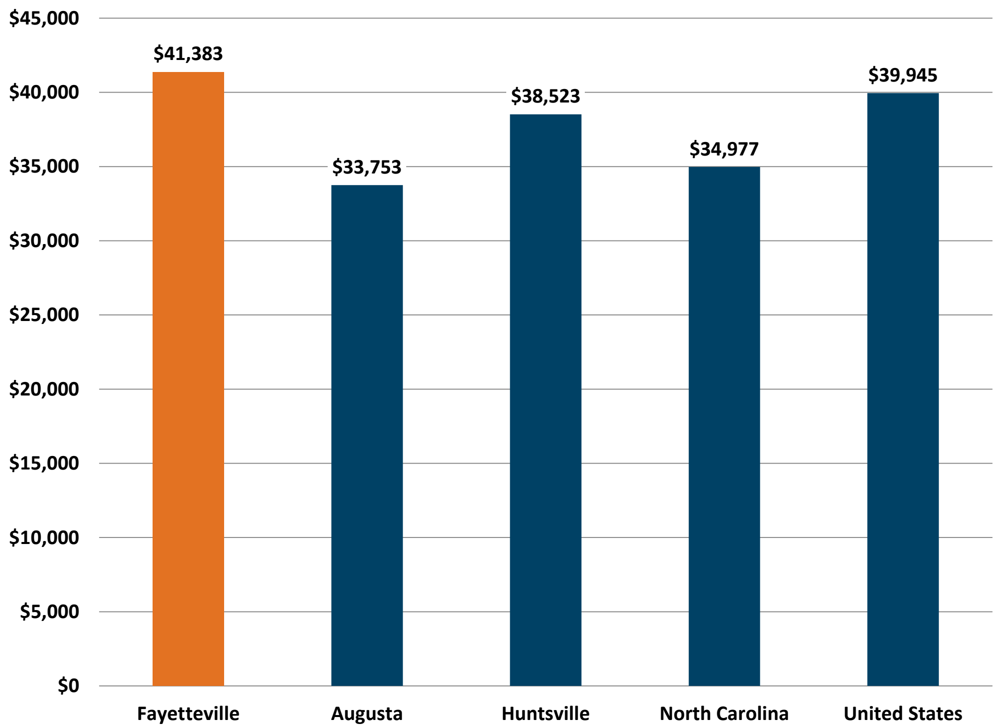
According to the U.S. Bureau of Economic Analysis, in 2010 Fayetteville's per capita income equaled $41,383[2].The figure is 3.5 percent above the nation and 15.5 percent above the state (Figure 21 and Table 21). Fayetteville's per capita income is higher than Augusta (18.4 percent) and Huntsville (6.9 percent). Over the last ten years, the nominal (unadjusted for inflation) per capita income per job in Fayetteville has increased by 73.2 percent; the pace well above the nation, state and both benchmark communities. Over the five most recent years, the rate of growth is 27.8 percent, again, well above the nation, state and both benchmark communities.

Correcting the growth in per capita income to real values (adjusting for inflation) provides a more realistic view of the actual change in the spending value of income dollars. Over the last ten years, growth in real values for the average wage per job in Fayetteville has increased by 36.8 percent ($8,786) and in the last five years by 14.5 percent ($4,131) (Figure 22 and Table 21).

See *Impact of Military* below for details on the influence of military activity in Fayetteville on earnings and the components of per capita income.

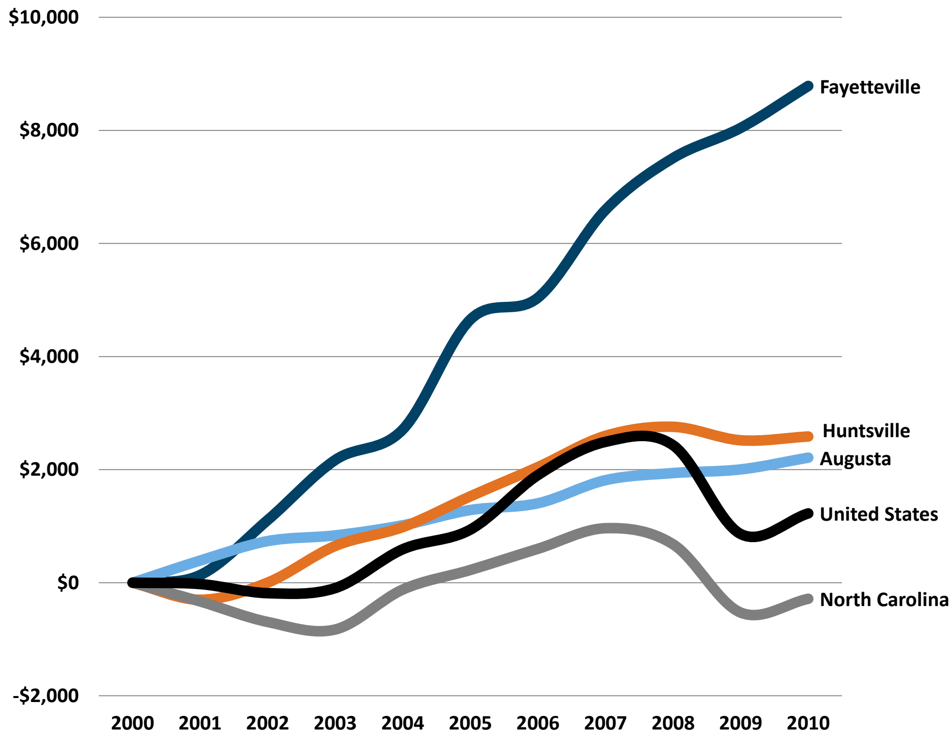
[2]Per capita income is the income that is received by persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance. This measure of income is calculated as the personal income of the residents of a given area divided by the resident population of the area.

Figure 21
Per Capita Income-2010



Source: US Bureau of Economic Analysis, Garner Economics

Figure 22
Ten-Year Change in Per Capita Income
Adjusted for Inflation (year 2000 = 0)



Source: US Bureau of Economic Analysis, Garner Economics

Table 21
Per Capita Income

	2010	10-Year Change				5-Year Change			
		Unadjusted		Inflation Adjusted		Unadjusted		Inflation Adjusted	
		$	%	$	%	$	%	$	%
Fayetteville	$41,383	$17,489	73.2%	$8,786	36.8%	$9,004	27.8%	$4,131	14.5%
Augusta	$33,753	$9,310	38.1%	$2,212	9.0%	$4,573	15.7%	$926	3.6%
Huntsville	$38,523	$10,687	38.4%	$2,586	9.3%	$5,220	15.7%	$1,058	3.6%
North Carolina	$34,977	$7,071	25.3%	-$284	-1.0%	$3,072	9.6%	-$510	-1.8%
United States	$39,945	$9,626	31.7%	$1,226	4.0%	$4,493	12.7%	$286	0.9%

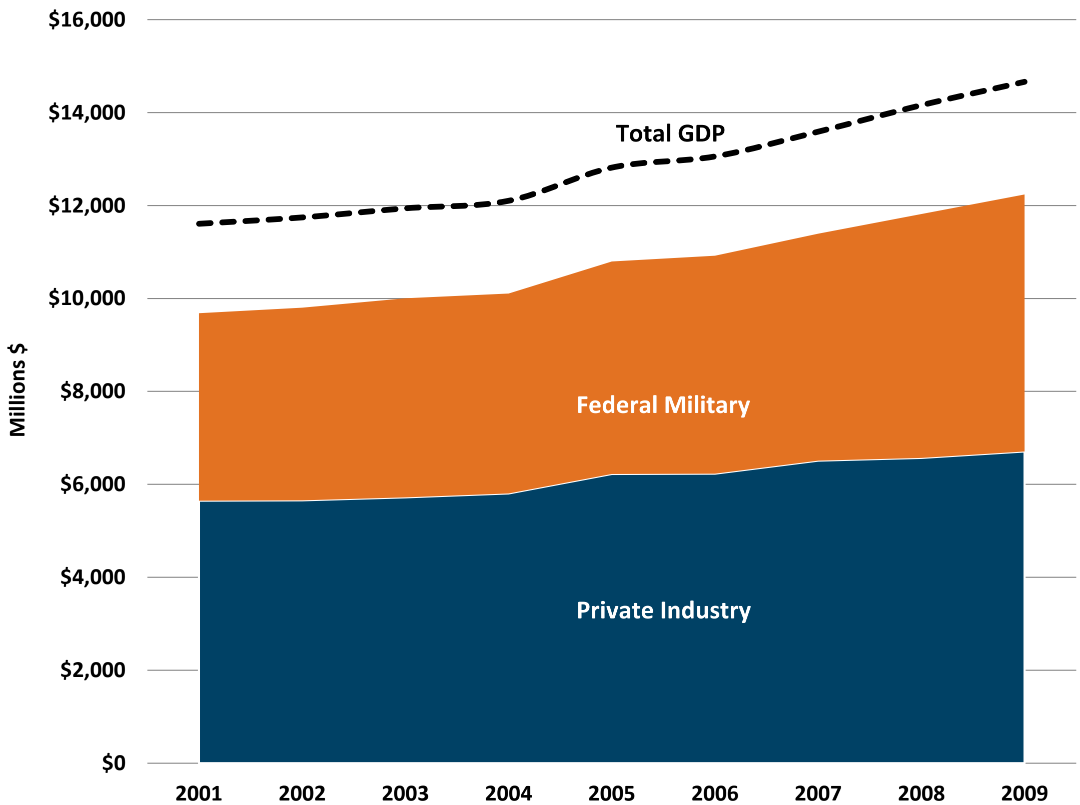
Source: US Bureau of Economic Analysis, Garner Economics

Impact of the Military[3]

Gross Domestic Product

In 2009, Federal military expenditures and investment equaled $5.5 billion inflation-adjusted dollars or 37.7 percent of Fayetteville's total GDP (Figure 23 and Table 22). By contrast, Federal military makes up for 1.3 percent of the nation's GDP. The contribution of Federal military to total GDP in Fayetteville has grown from 34.8 percent in 2001 to 37.7 percent in 2009. Over the same period, private industry's contribution has declined from 48.7 percent to 45.7 percent of GDP, equaling $6.7 billion inflation-adjusted dollars in 2009.

Figure 23
Fayetteville
Contribution to Total GDP
(inflation-adjusted, 2005 dollars)



Source: US Bureau of Economic Analysis, Garner Economics

[3]The methodologies for collecting and reporting Federal military expenditures, investments, employment and compensation differ significantly from those used for private industry. In brief, private industry data is collected from a series of regular surveys and reports directly from employers on a monthly, quarterly and annual basis. Together this information provides a consistent data time series; affording dependable extrapolation and future estimation. Reporting on Federal military activity is acquired via annual reporting, which can lag by 18-24 months from the current period. The Bureau of Economic Analysis's 2009 and 2010 (compensation only) information is the most current available for local areas. For extrapolation and future estimation, annual national Department of Defense budgeting trends and other Federal spending developments are utilized.

Table 22
Federal Military Expenditures &Investment
(inflation-adjusted, 2005 dollars)

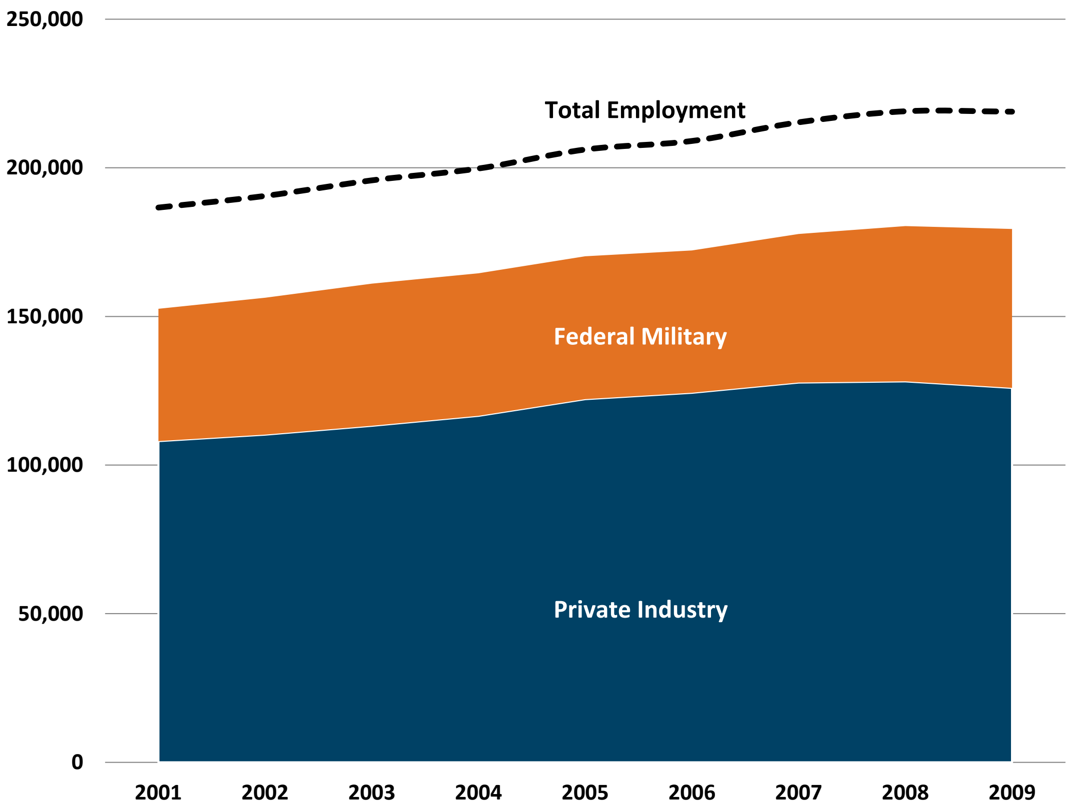
	2009 Total (billions)	2009 Percent GDP	2001-2009 Change Percent GDP
Fayetteville	$5.5	37.7%	3.0%
Augusta	$1.1	7.0%	1.4%
Huntsville	$0.3	1.6%	-0.3%
North Carolina	$12.2	3.3%	0.7%
United States	$162.4	1.3%	0.1%

Source: US Bureau of Economic Analysis, Garner Economics

Employment

In 2009, Federal military employment equaled 53,456 or 24.4 percent of Fayetteville's total employment (Figure 24 and Table 23).By contrast, Federal military employment makes up for 1.2 percent of the nation's total employment. The contribution of Federal military employment in Fayetteville has grown slightly from 23.9 percent of the total in 2001 to 24.4 percent in 2009. Over the same period, private industry's contribution has remained fairly steady, from 57.9 percent in 2001 to 57.5 percent in 2009.

Figure 24
Fayetteville
Total Employment



Source: US Bureau of Economic Analysis, Garner Economics

Table 23
Federal Military Employment

	2009 Total	2009 Percent Total Employment	2001-2009 Change Percent Total Employment
Fayetteville	53,456	24.4%	0.6%
Augusta	12,760	4.3%	-0.2%
Huntsville	3,505	1.3%	-0.3%
North Carolina	142,715	2.7%	0.3%
United States	2,092,000	1.2%	-0.1%

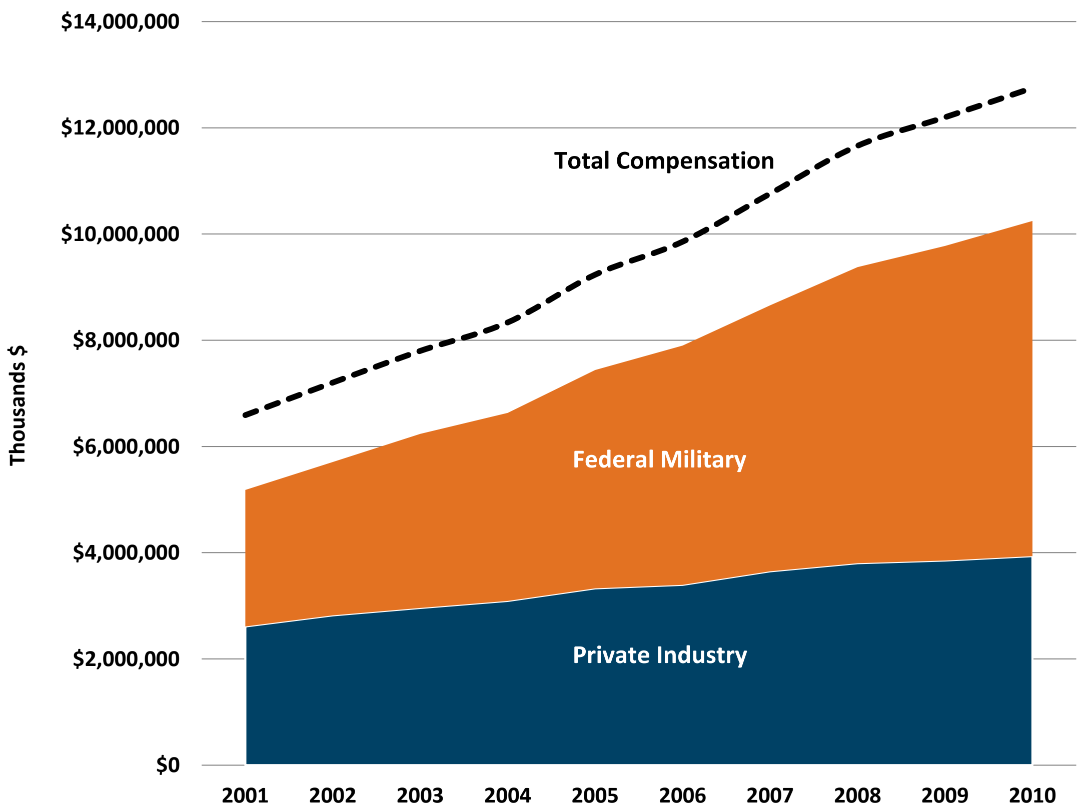
Source: US Bureau of Economic Analysis, Garner Economics

Compensation[4]

In 2010, compensation for Federal military workers equaled $6.3 billion or 49.5 percent of Fayetteville's total compensation (Figure 25 and Table 24).By contrast, Federal military makes up for 2.2 percent of the nation's total compensation. The contribution of Federal military compensation in Fayetteville has grown from 39.0 percent of the total in 2001 to 49.5 percent in 2010. Over the same period, private industry's contribution has declined from 39.6 percent to 30.9 percent, equaling $3.9 billion in 2010.

In 2009, the average compensation per military worker in Fayetteville equaled $110,807, an increase of 91.9 percent or $53,062 from 2001, unadjusted for inflation (Figure 26).For a private worker, average compensation equaled $30,582, an increase of 26.5 percent or $6,416 from 2001, unadjusted for inflation.

Figure 25
Fayetteville
Total Compensation
(unadjusted for inflation)



Source: US Bureau of Economic Analysis, Garner Economics

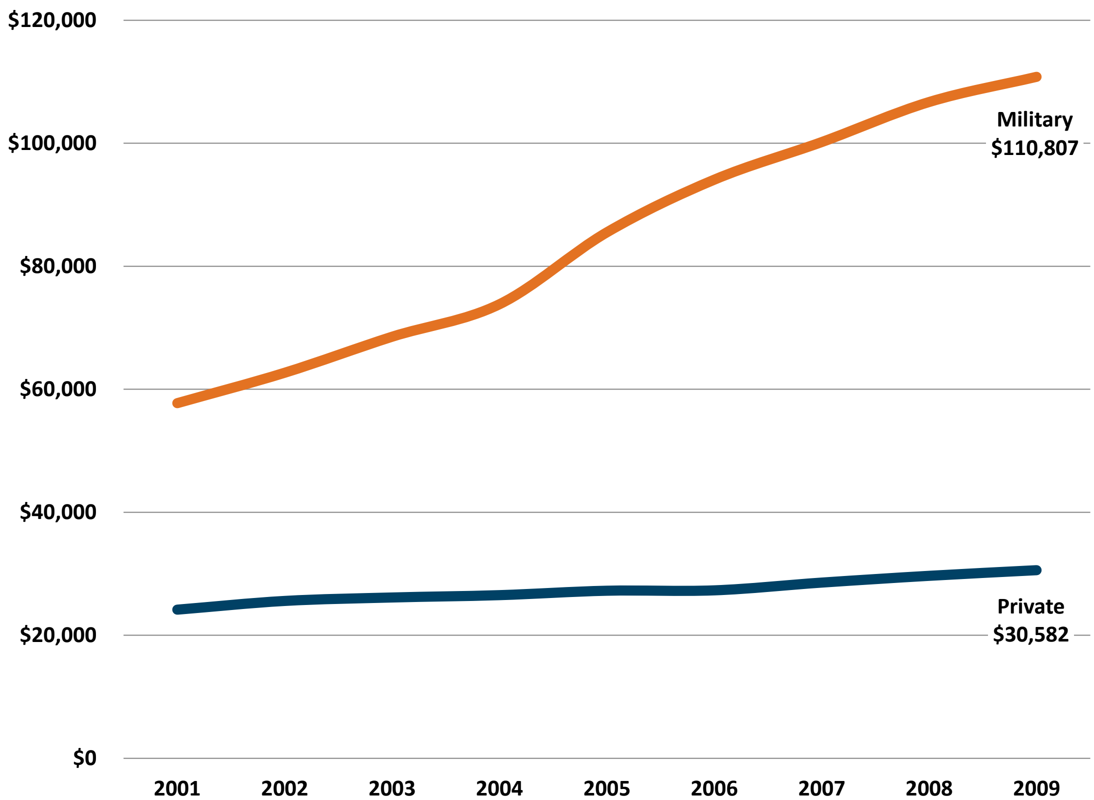
[4]Compensation of employees is the sum of wage and salary, and supplements. Supplements include; employer payments to private and government employee retirement plans, private group health and life insurance plans, privately administered workers' compensation plans, supplemental unemployment benefit plans, military employee programs (veterans life and military medical insurance); and temporary disability insurance.

Table 24
Federal Military Compensation
(unadjusted for inflation)

	2010 Total (billion)	2010 Percent Total Compensation	2001-2010 Change Percent Total Compensation
Fayetteville	$6.3	49.5%	10.5%
Augusta	$1.3	10.2%	3.6%
Huntsville	$0.3	2.3%	0.6%
North Carolina	$13.9	6.4%	3.0%
United States	$178.8	2.2%	0.8%

Source: US Bureau of Economic Analysis, Garner Economics

Figure 26
Compensation Per Worker
(unadjusted for inflation)

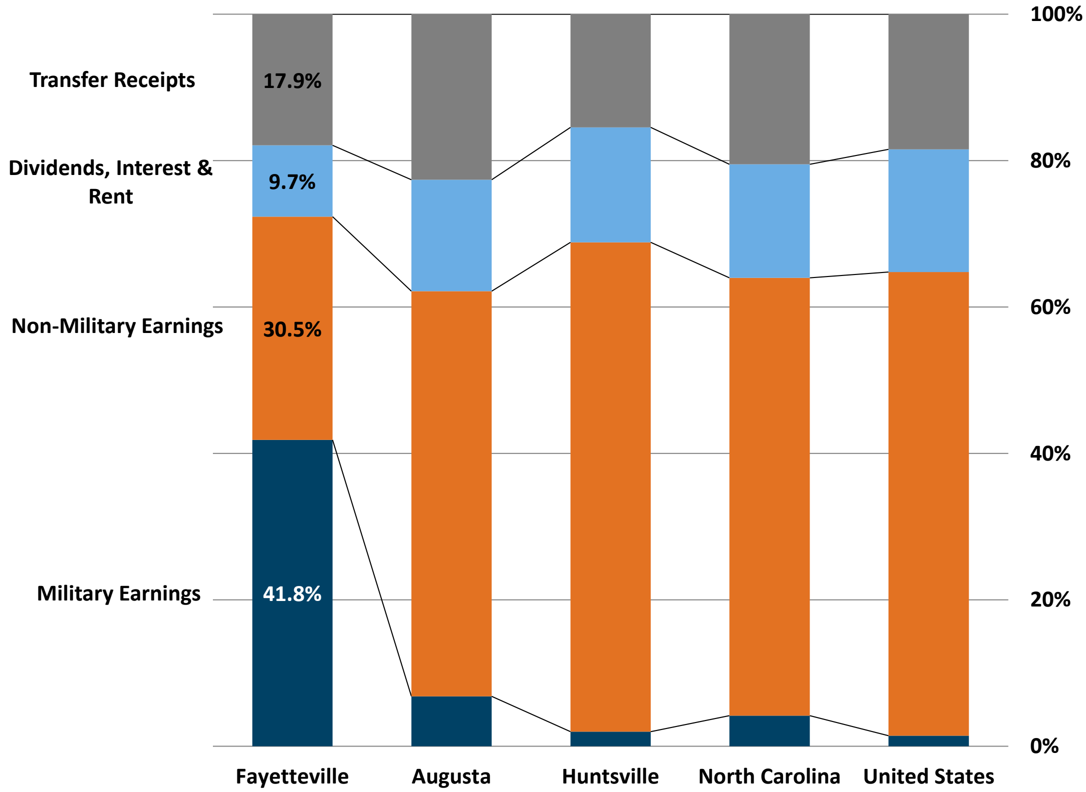


Source: US Bureau of Economic Analysis, Garner Economics

Per Capita Income

Per capita income is the total of earning, dividends, interest, rents and transfer payments, divided by the resident population. In 2010, military earnings equaled 41.8 percent of per capita income in Fayetteville, a significantly higher proportion than in the nation, state, and both benchmark communities (Figure 27 and Table 25).

Figure 27
Components of Per Capita Income 2010



Source: US Bureau of Economic Analysis, Garner Economics

Table 25
Components of Per Capita Income -2010

	Military Earnings	Non-Military Earnings	Dividends, Interest & Rent	Transfer Receipts
Fayetteville	41.8%	30.5%	9.7%	17.9%
Augusta	6.8%	55.3%	15.2%	22.6%
Huntsville	2.0%	66.8%	15.7%	15.5%
North Carolina	4.2%	59.8%	15.5%	20.5%
United States	1.4%	63.3%	16.8%	18.5%

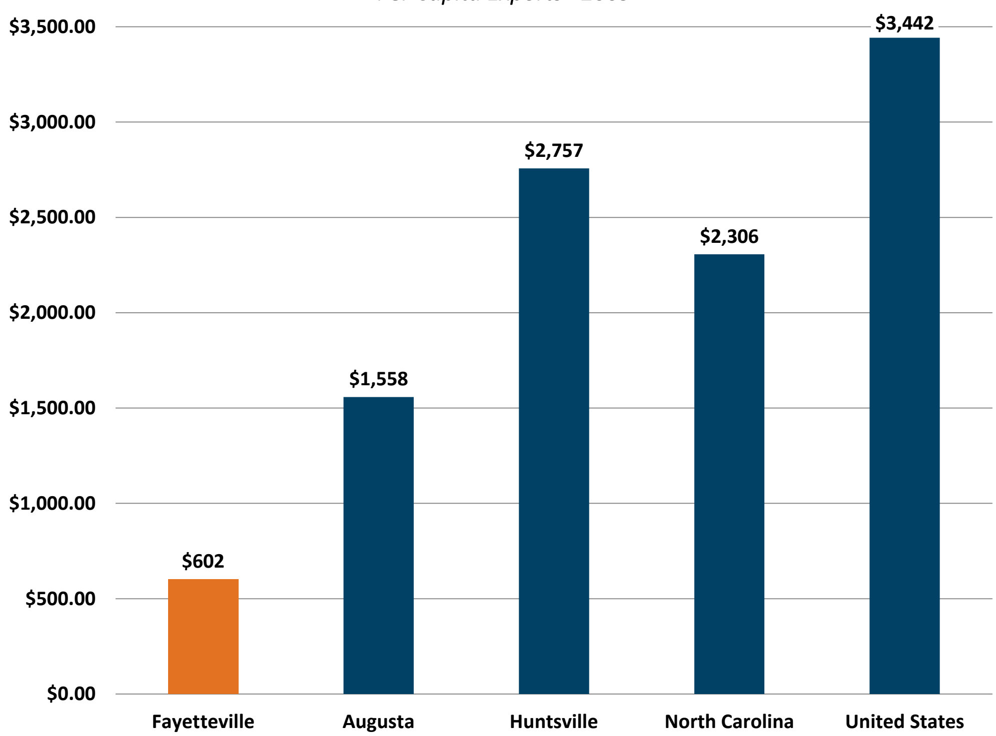
Source: US Bureau of Economic Analysis, Garner Economics

Exports

In a global economy, exports are playing a more critical role in local economic competitiveness. Exporting has proven to be a powerful means to generate wealth, and provides evidence of an area's capacity to compete with firms outside the U.S.

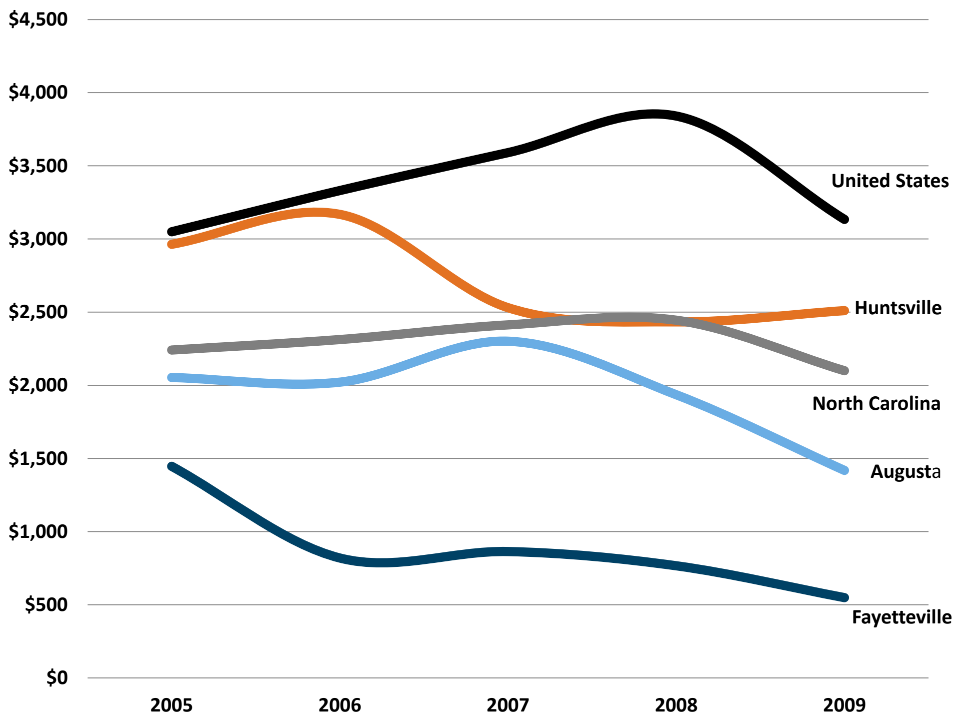
As of 2009, Fayetteville had exports totaling $218 million. In per capita terms, at $602, Fayetteville exports are well below the state, nation and both benchmark communities (Figure 28 and Table 26). From 2005 to 2009, per capita exports decreased 62.1 percent after adjusting for inflation; below the nation, state and both benchmark communities (Figure 29 and Table 26).

Figure 28
Per Capita Exports - 2009



Source: Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, Garner Economics

Figure 29
Per Capita Exports
Adjusted for Inflation (year 2005 = 0)



Source: Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, Garner Economics

Table 26
Exports

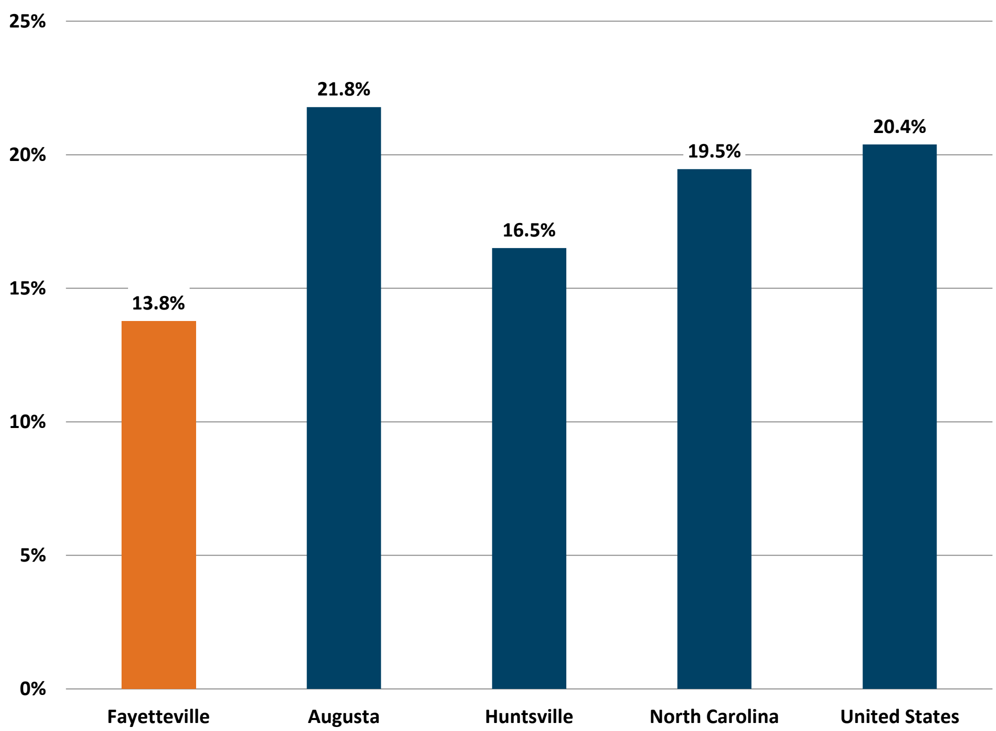
	2009 Total	2009 Per Capita	2005-2009 Change Inflation Adjusted $	2005-2009 Change Inflation Adjusted %
Fayetteville	$218,402,531	$602.23	-$898	-62.1%
Augusta	$856,772,332	$1,557.70	-$635	-30.9%
Huntsville	$1,136,543,265	$2,757.38	-$453	-15.3%
North Carolina	$21,792,953,156	$2,306.24	-$141	-6.3%
United States	$1,056,042,963,028	$3,442.44	$85	2.8%

Source: Office of Trade and Industry Information, Manufacturing and Services, International Trade Administration, U.S. Department of Commerce, Garner Economics

Proprietor Employment

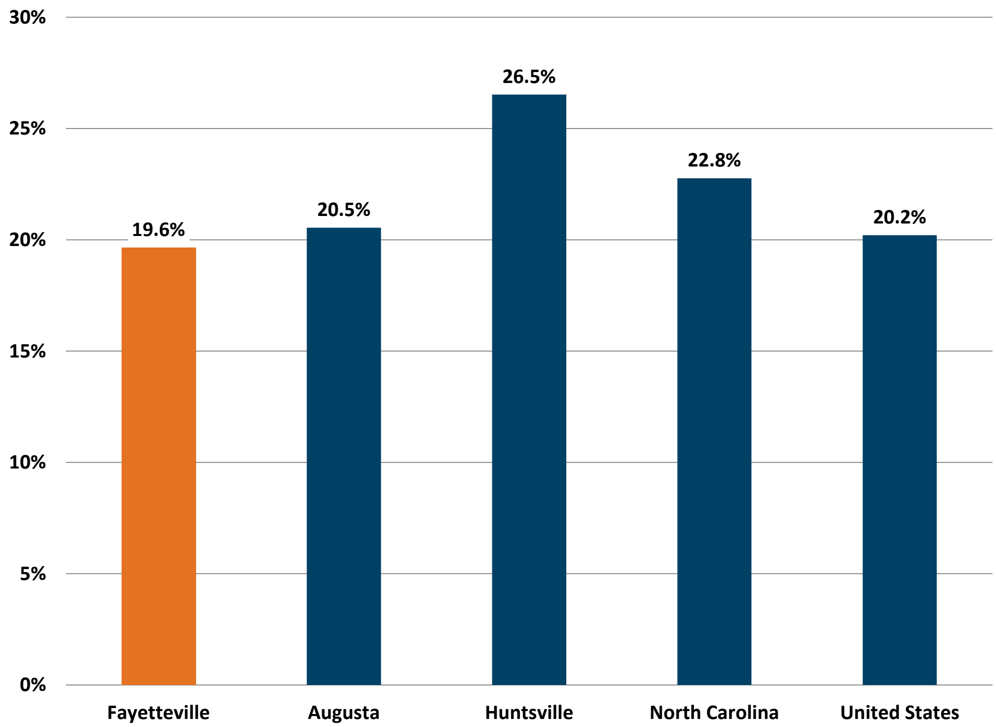
Measuring the relative proportion of nonfarm proprietor employment is a means to gauge entrepreneurial activity, which in turn can provide a view of local risk-taking and dynamism. According to the U.S. Bureau of Economic Analysis, as of 2009, proprietors accounted for 13.8 percent of total employment in Fayetteville (Figure 30 and Table 27).The percentage is less than in the nation, state or two benchmark communities. Over the last five years proprietor employment has increased by 19.6 percent in Fayetteville; a pace below the state, nation and both benchmarks (Figure 31 and Table 27).

Figure 30
Nonfarm Proprietors Employment
Percent of Total Employment
2009



Source: US Bureau of Economic Analysis, Garner Economics

Figure 31
Five-Year Percent Change (2004-2009)
Nonfarm Proprietors Employment



Source: US Bureau of Economic Analysis, Garner Economics

Table 27
Nonfarm Proprietors Employment

	2009 Percent Total Employment	5-Year Change
Fayetteville	13.8%	19.6%
Augusta	21.8%	20.5%
Huntsville	16.5%	26.5%
North Carolina	19.5%	22.8%
United States	20.4%	20.2%

Source: US Bureau of Economic Analysis, Garner Economics

Major Industry Sector Composition

A comparison of major industry employment composition provides a broad relative assessment of differences among economies, and may help indicate areas of uniqueness. Fayetteville has a significantly higher proportion of employment in *Government and government enterprises* (Table 28). Conversely, the area has a lower relative proportion in all private sectors. A detailed analysis of Fayetteville's industrial, occupational, and cluster specialization relative to the nation can be found in Section 5: Local Specialization, Competitiveness & Growth and in the Appendix.

Table 28
Employment by Major Industry Sectors
Percent of Total 2009
*(highest percentages in **bold**)*

	Fayetteville	Augusta	Huntsville	North Carolina	US
Farm employment	0.5%	1.2%	1.0%	0.8%	**1.5%**
Private employment	57.5%	78.4%	80.1%	82.4%	**84.3%**
Construction	4.4%	6.2%	4.4%	6.2%	5.5%
Manufacturing	4.7%	7.1%	**10.7%**	9.0%	7.2%
Wholesale trade	1.5%	1.8%	2.4%	3.5%	3.5%
Retail trade	8.5%	**10.6%**	10.1%	10.3%	10.3%
Transportation and warehousing	2.2%	2.1%	na	2.7%	**3.2%**
Information	1.0%	1.3%	1.1%	1.6%	**1.9%**
Finance and insurance	2.2%	3.3%	2.8%	4.5%	**5.4%**
Real estate and rental and leasing	2.9%	3.1%	3.5%	4.2%	**4.3%**
Professional, scientific, and technical services	3.5%	na	**14.5%**	5.5%	6.7%
Management of companies and enterprises	0.2%	na	0.3%	**1.5%**	1.2%
Administrative and waste management services	5.0%	**9.3%**	7.1%	6.1%	5.8%
Educational services	1.5%	1.1%	1.3%	2.1%	**2.3%**
Health care and social assistance	7.5%	9.3%	6.4%	10.2%	**10.8%**
Arts, entertainment, and recreation	1.0%	1.8%	1.3%	2.0%	**2.2%**
Accommodation and food services	6.3%	6.9%	6.5%	6.9%	6.9%
Other services, except public administration	4.6%	**8.1%**	5.9%	5.5%	5.8%
Government and government enterprises	**42.0%**	20.4%	18.8%	16.4%	14.2%
Federal, civilian	5.8%	2.8%	**6.6%**	1.3%	1.7%
Military	**24.4%**	4.3%	1.3%	2.7%	1.2%
State and local	11.8%	**13.2%**	10.9%	12.4%	11.3%
State government	2.1%	**5.8%**	2.2%	4.0%	3.0%
Local government	**9.7%**	7.4%	8.6%	8.4%	8.3%

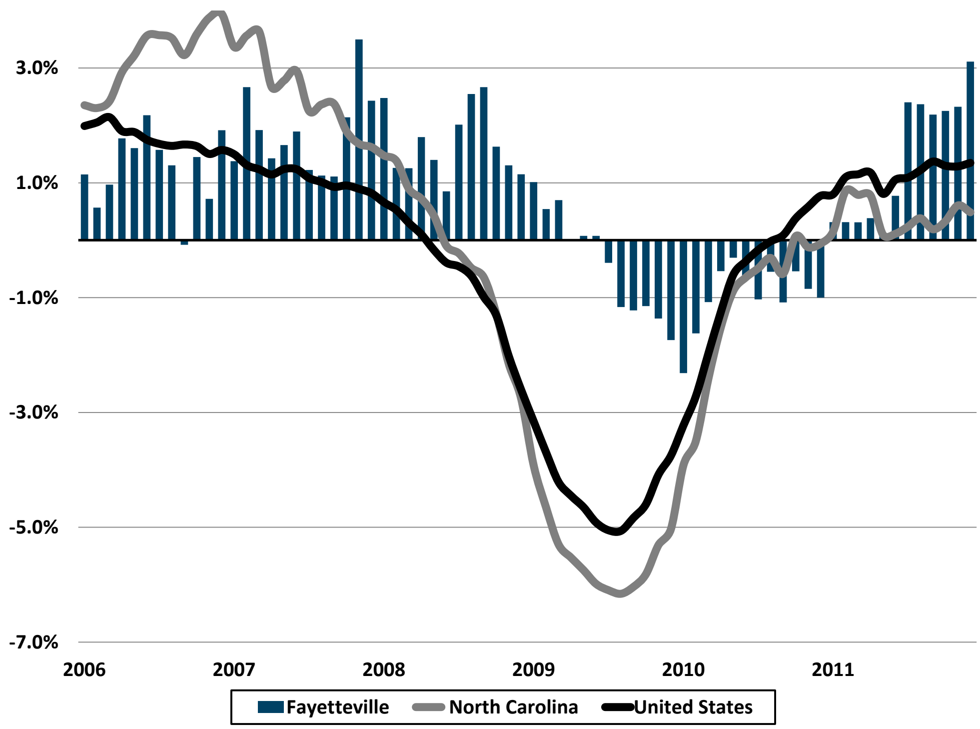
Source: US Bureau of Economic Analysis, Garner Economics

Total Employment

Through December 2011, total employment in Fayetteville is up on average 1.4 percent or 1,800 more jobs over the year. The pace is above the nation, state and benchmarks. Since 2005 Fayetteville has experienced an annual average job growth rate of 0.8 percent; above the nation, state and Augusta, but tied with Huntsville. Recession losses were not a severe in Fayetteville, with the most severe losses at 2.3 percent, or -3,000, which is less than what was experienced in the nation, state and benchmarks (Figure 32, Figure 33 and Table 29).

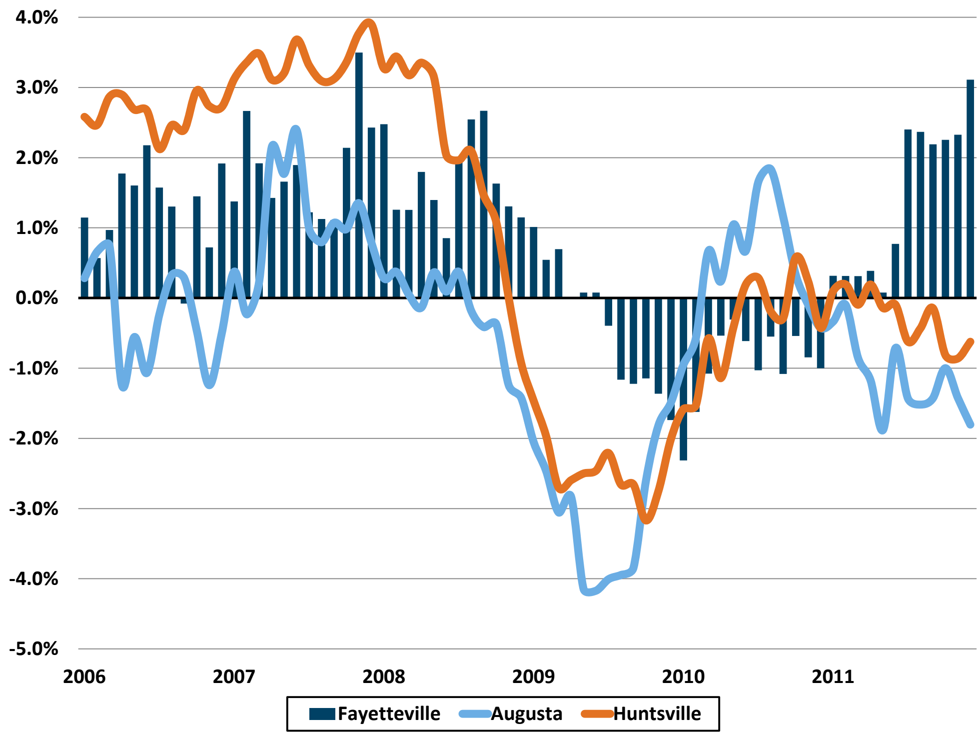
Note: The monthly employment statistics collected by the bureau of Labor Statistics does not include military employment.

Figure 32
Total Employment
12-Month Percent Change



Source: US Bureau of Labor Statistics, Garner Economics

Figure 33
Total Employment
12-Month Percent Change



Source: US Bureau of Labor Statistics, Garner Economics

Table 29
2006-2011
Employment Trends

	Fayetteville		Augusta	Huntsville	North Carolina	US
	Percent	Jobs				
2011 Average Job Growth Rate	1.4%	+1,800	-1.1%	-0.3%	0.4%	1.1%
Lowest Percent Job Lost	-2.3%	-3,000	-4.2%	-3.2%	-6.2%	-5.1%
Highest Job Growth Rate	3.5%	+4,400	2.4%	3.9%	3.9%	2.1%
Average Annual Job Growth Rate	0.8%	+1,018	-0.5%	0.8%	-0.1%	-0.3%

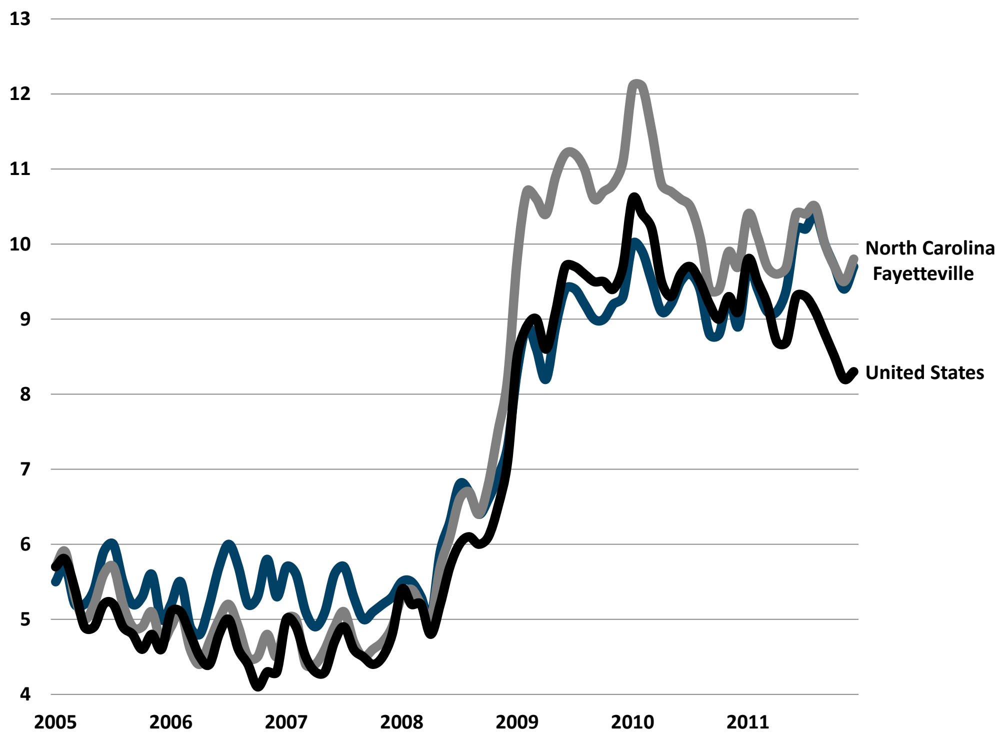
Source: US Bureau of Labor Statistics, Garner Economics

Unemployment

The average unemployment rate for 2011 in Fayetteville is 9.7 percent (representing about 15,390 unemployed persons). The rate is above the nation and both benchmark communities (Figure 34, Figure 35 and Table 30). Since 2005, Fayetteville's highest unemployment rate was 10.4 percent (representing about 16,655 unemployed persons), a rate above both benchmark communities, but below the state and nation. Over the entire 2005-2011 period, the average unemployment rate in Fayetteville was 7.2 percent (representing 11,102 unemployed persons) the rate is above the nation and Huntsville, but below the state and Augusta.

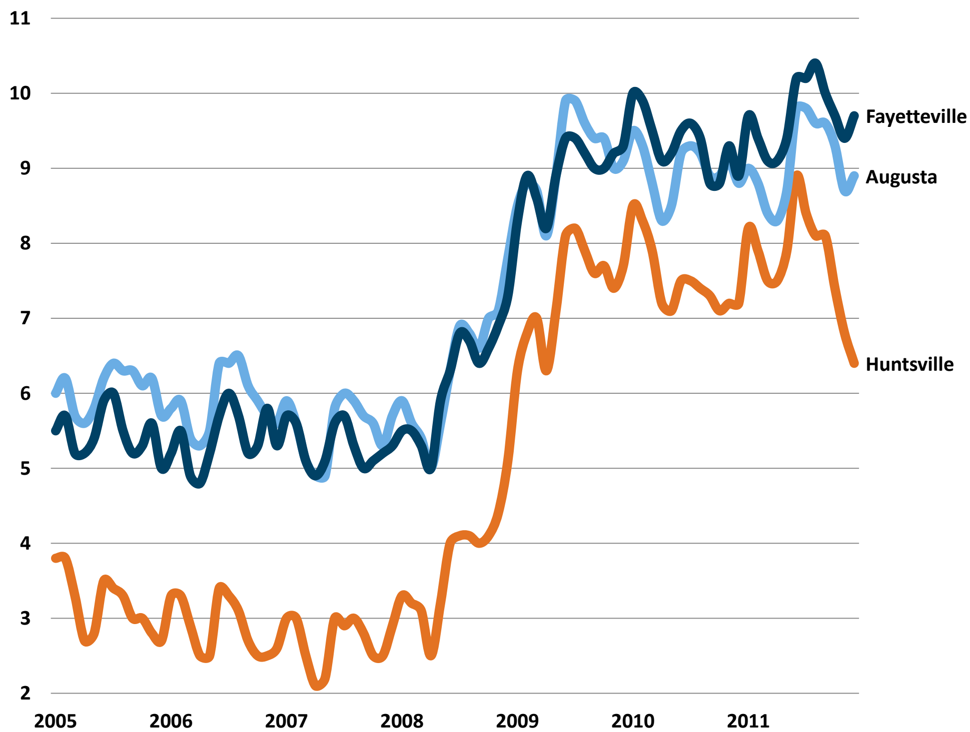
Note: The monthly unemployment statistics collected by the bureau of Labor Statistics does not include military employment.

Figure 34
Unemployment Rate



Source: US Bureau of Labor Statistics, Garner Economics

Figure 35
Unemployment Rate



Source: US Bureau of Labor Statistics, Garner Economics

Table 30
2005-2011
Unemployment Trends (%)

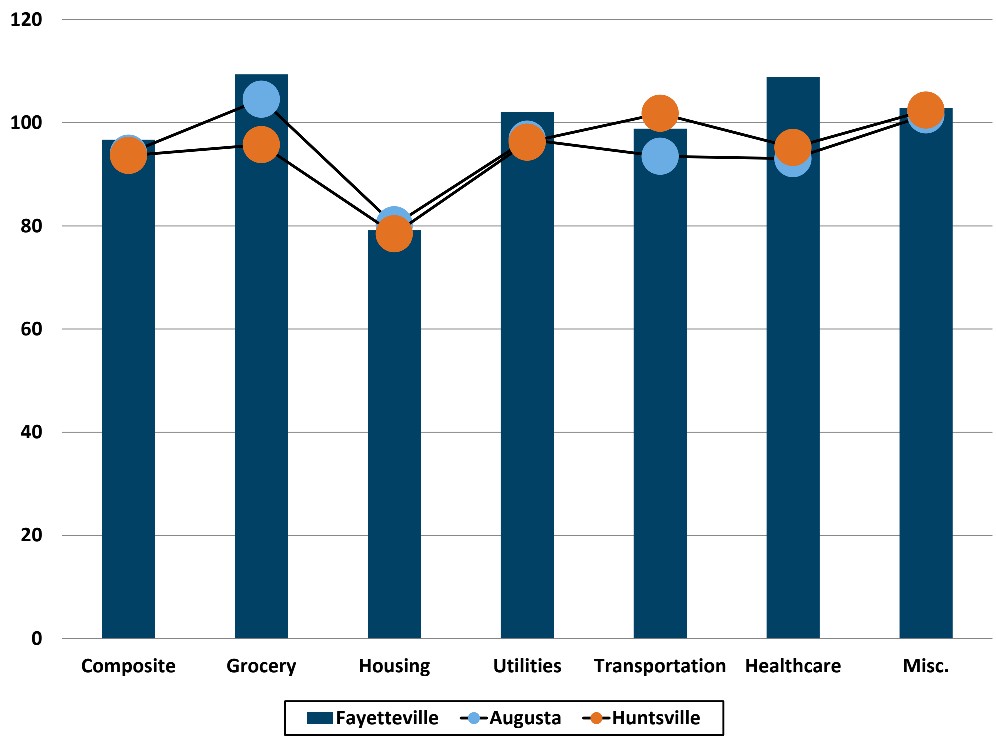
	Fayetteville		Augusta	Huntsville	North Carolina	US
	Percent	Unemployed				
2011 Average Rate	9.7	15,390	9.1	7.8	10.0	9.0
Lowest Rate	4.8	7,166	4.9	2.1	4.4	4.1
Highest Rate	10.4	16,655	9.9	8.9	12.1	10.6
Average Rate	7.2	11,102	7.3	5.0	7.5	6.8

Source: US Bureau of Labor Statistics, Garner Economics

Cost of Living

At 96.7, the composite Cost-of-Living Index score in Fayetteville is above, but close to both benchmark communities, with all below the nationwide 100 standard (Figure 36 and Table 31). The grocery, utilities, health care and misc. goods and services categories are all above the nationwide index.

Figure 36
Cost of Living Index
2011 Annual Average



Source: ACCRA, Garner Economics

Table 31
Cost of Living Index
2011 Annual Average

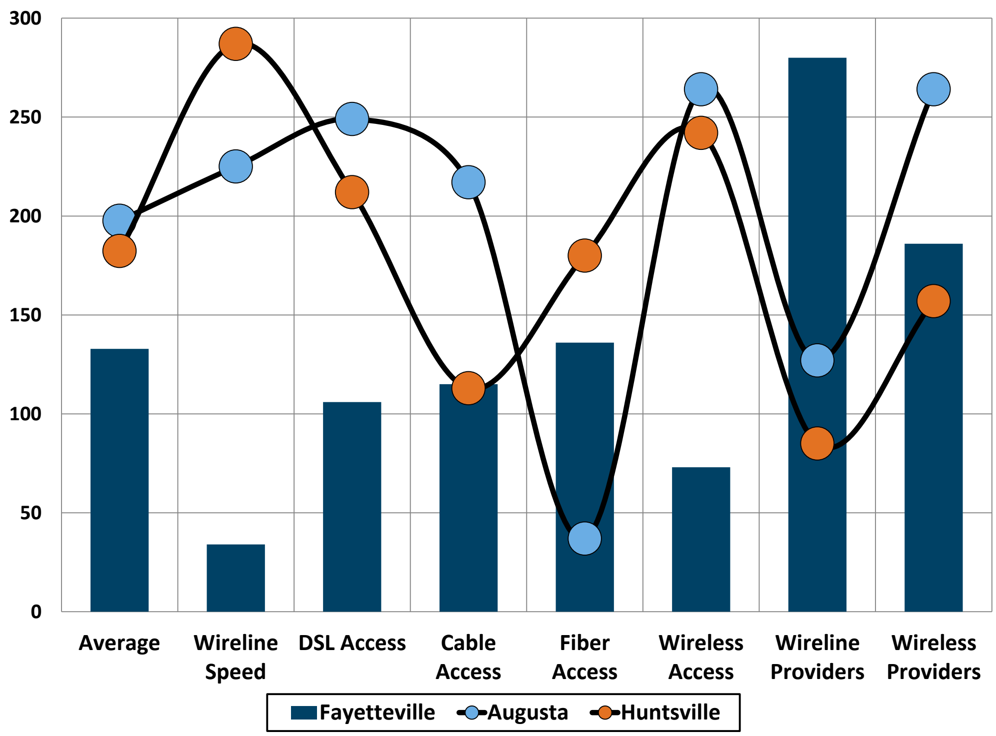
	Composite	Grocery	Housing	Utilities	Transportation	Health Care	Misc. Goods & Services
Fayetteville	96.7	109.4	79.2	102.1	98.9	108.9	102.9
Augusta	94.1	104.6	80.2	96.8	93.5	93.0	101.5
Huntsville	93.6	95.8	78.5	96.2	101.8	95.2	102.4

Source: ACCRA, Garner Economics

Broadband

As ranked amongst 370 US metros, Fayetteville places well in broadband categories measuring access and capacity (Figure 37 and Table 32). The average rank is 133, better than both benchmark communities. Only in provider categories (which count the number of available providers in the metro) did Fayetteville rank below 150.

Figure 37
Broadband Rankings 2010
(a lower number is better)



Source: National Telecommunications and Information Administration

Table 32
Broadband Rankings 2010
(a lower number is better)

	Average	Wireline Speed	DSL Access	Cable Access	Fiber Access	Wireless Access	Wireline Providers	Wireless Providers
Fayetteville	133	34	106	115	136	73	280	186
Augusta	198	225	249	217	37	264	127	264
Huntsville	182	287	212	113	180	242	85	157

Source: National Telecommunications and Information Administration

Airport Statistics

Among major airports nationally the Fayetteville Regional/Grannis Field ranks 159th for the number of domestic passenger arrivals, 159th for scheduled flights, and 495th for the amount of freight/mail (Table 33). Augusta Regional at Bush Field rankings is very similar, while Huntsville International-Carl T Jones Field experiences more than double the activity.

Table 33
Key Airport Statistics

	Passengers Arrivals		Scheduled Flights		Freight/Mail	
	(1,000's)	Rank*		Rank*	(lb.)	Rank*
Fayetteville Regional/Grannis Field (FAY)	258	159	6,394	170	78,000	495
Augusta Regional at Bush Field (AGS)	263	160	6,315	172	71,000	502
Huntsville International-Carl T Jones Field (HSV)	616	105	14,224	102	29,000,000	115

** Among 825 U.S. airports, 12 months ending October 2011*
Source: U.S. Department of Transportation, Garner Economics

SECTION 5: LOCAL SPECIALIZATION, COMPETITIVENESS & GROWTH

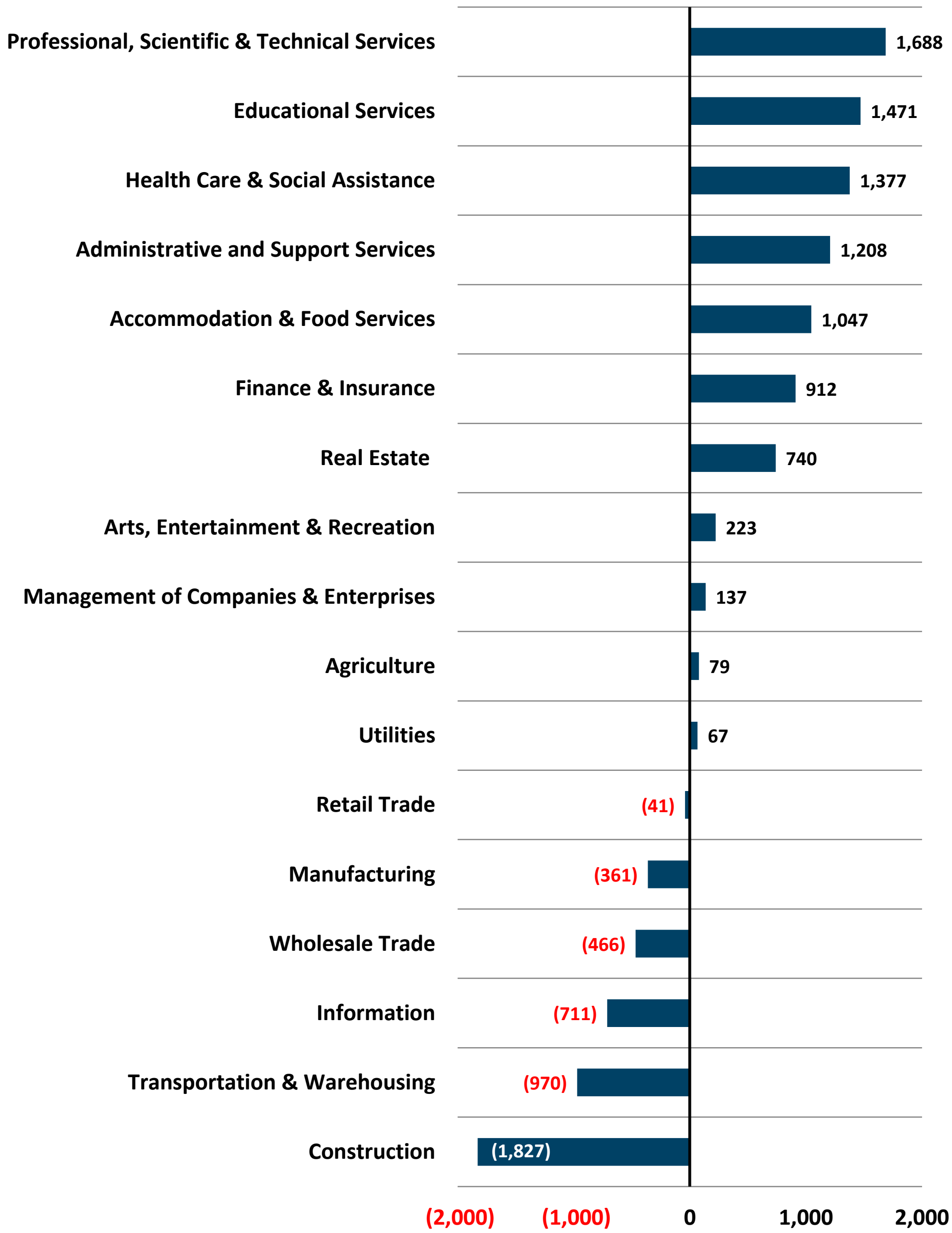
The following section provides a more detailed and in-depth assessment of the Fayetteville economy. The analysis examines the local economy from several different perspectives, each adding a supporting layer of information. The assessment's main goals are to provide historic context, reveal areas of unique specialization, gauge competitiveness, and help uncover emerging trends and opportunities.

The three main areas of analysis are: **major industries**, **occupations** and **industry clusters**. For each area there are relative measures of specialization, growth, local competitiveness, and earnings.

Major Industry Sector Change

Over the last five years the largest absolute gains came from *Government*, which includes military (up 9,236 jobs or 11 percent).Other significant gains were made in *Professional, Scientific & Technical Services* (up 1,688 jobs or 26 percent) and *Educational Services* (up 1,471 jobs or 84 percent). The greatest job losses have come from the *Construction* industry sector, down 1,827 jobs or 17 percent (Figure 38 and Table 34). The majority remaining absolute losses came from *Transportation & Warehousing* (down 970 jobs or 14 percent), and *Information* (down 711 jobs or 26 percent). Of eighteen major industry groups, losses were concentrated in five.

Figure 38
*Employment Change by Major Industry**
Fayetteville 2006-2011 4Q



**Government not included see table below.*
Source: Economic Modeling Specialist, Garner Economics

Table 34
Employment Change by Major Industry
Fayetteville 2006-2011

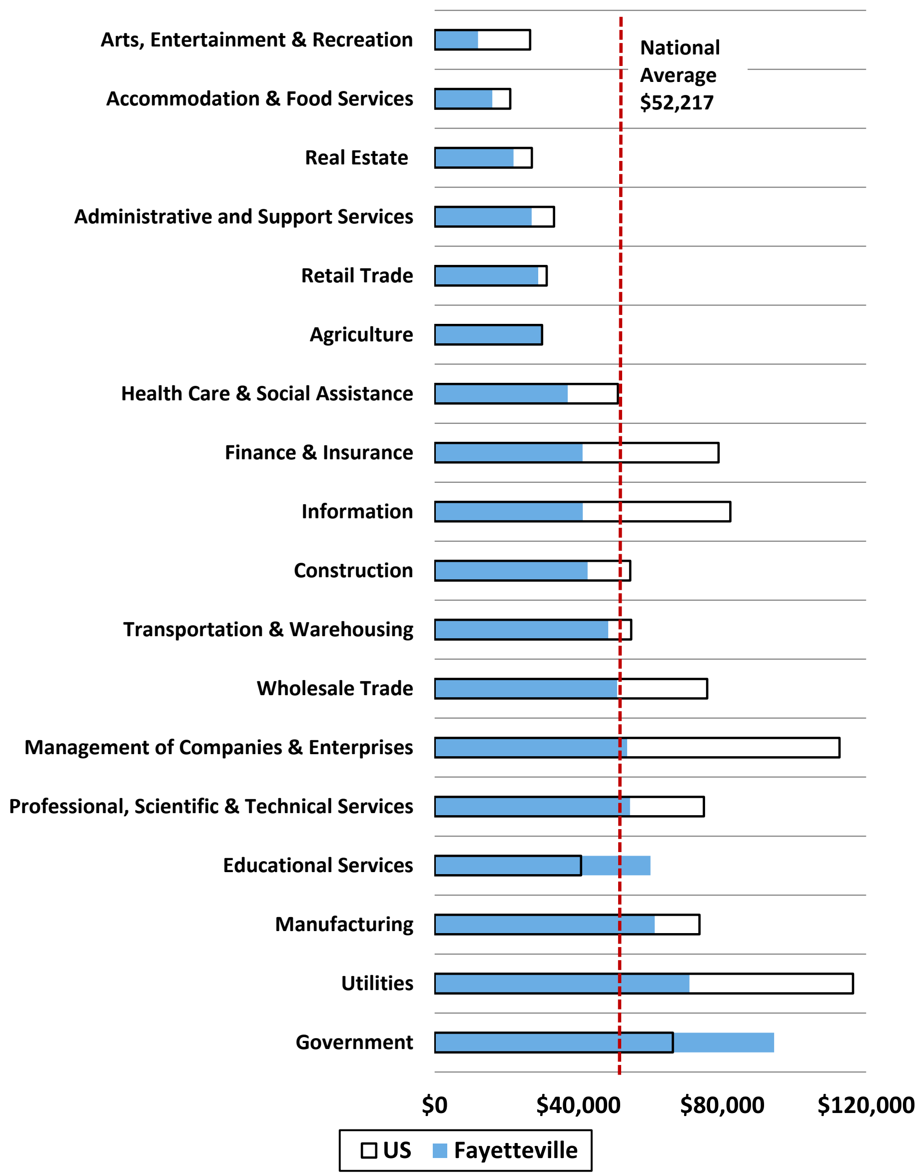
Major Industry Sector	2011 Jobs	Employment Change #	Employment Change %
Government	91,726	9,236	11%
Professional, Scientific & Technical Services	8,074	1,688	26%
Educational Services	3,220	1,471	84%
Health Care & Social Assistance	16,231	1,377	9%
Administrative and Support Services	12,246	1,208	11%
Accommodation & Food Services	13,951	1,047	8%
Finance & Insurance	5,000	912	22%
Real Estate	6,979	740	12%
Arts, Entertainment & Recreation	2,283	223	11%
Management of Companies & Enterprises	457	137	43%
Agriculture	1,320	79	6%
Utilities	466	67	17%
Retail Trade	19,171	(41)	0%
Manufacturing	10,139	(361)	-3%
Wholesale Trade	3,168	(466)	-13%
Information	1,979	(711)	-26%
Transportation & Warehousing	5,775	(970)	-14%
Construction	8,651	(1,827)	-17%

Source: Economic Modeling Specialist, Garner Economics

Industry Earnings

A comparison of Fayetteville's average industry earnings to national averages may offer insights into areas of unique expertise or cost saving opportunities. Fayetteville's industrial average earnings exceed the national same-industry average in only two industries: *Government* and *Educational Services* (Figure 39 and Table 35). Earnings gaps, where Fayetteville's averages are notably lower than in the nation are in *Utilitie*s, *Management of Companies & Enterprises*, *Information*, and *Finance & Insurance.*

Figure 39
Average Annual Industry Earnings Comparison
2011



Source: Economic Modeling Specialist, Garner Economics

Table 35
Average Annual Industry Earnings Comparison
2011

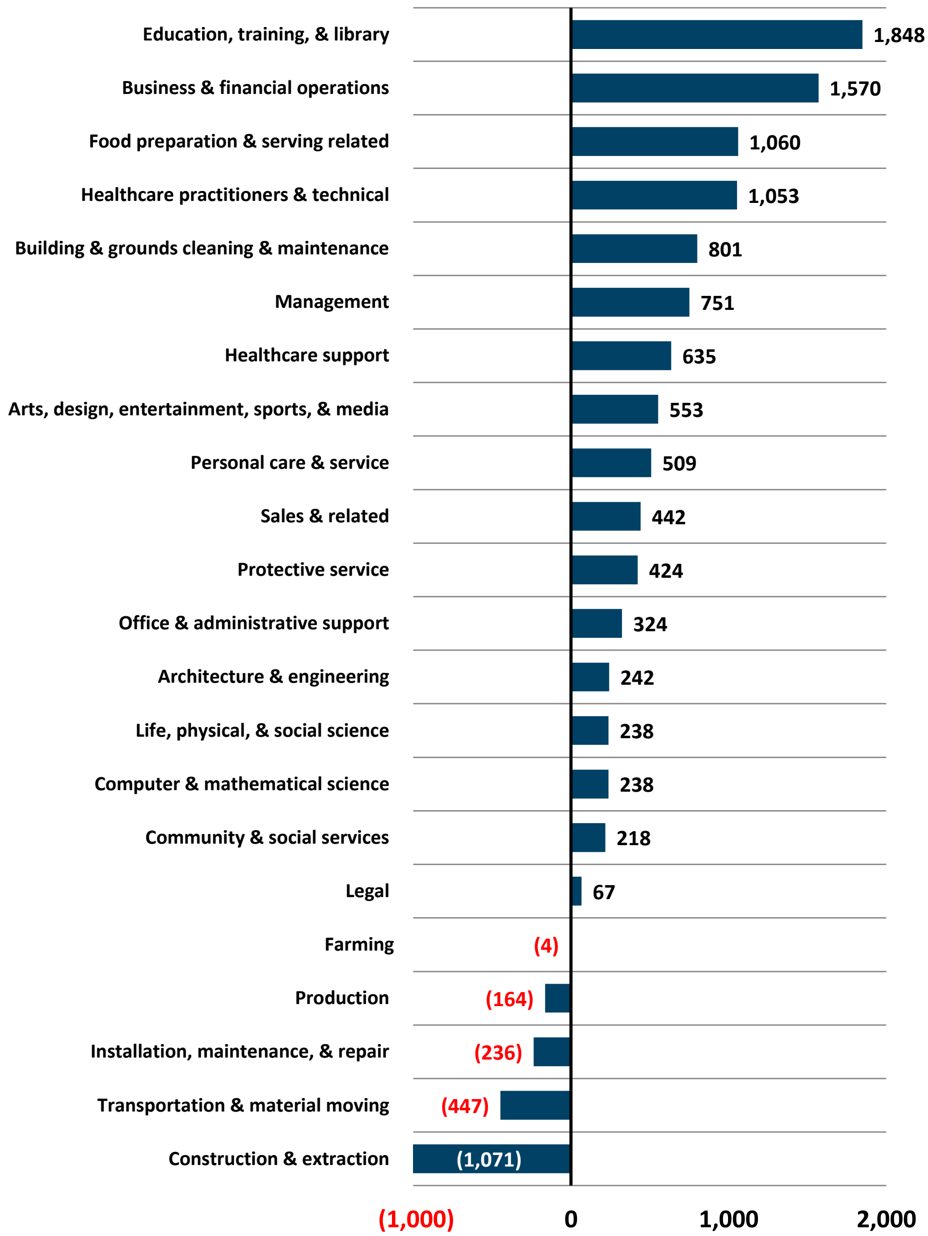
	Fayetteville	US
Government	$94,424	$66,261
Utilities	$70,864	$116,350
Manufacturing	$61,188	$73,632
Educational Services	$60,042	$40,695
Professional, Scientific & Technical Services	$54,323	$74,856
Management of Companies & Enterprises	$53,525	$112,563
Wholesale Trade	$50,749	$75,817
Transportation & Warehousing	$48,301	$54,651
Construction	$42,532	$54,418
Information	$41,183	$82,208
Finance & Insurance	$41,164	$78,965
Health Care & Social Assistance	$37,004	$50,954
Agriculture	$29,809	$29,905
Retail Trade	$28,791	$31,159
Administrative and Support Services	$26,980	$33,194
Real Estate	$21,931	$27,070
Accommodation & Food Services	$16,071	$21,035
Arts, Entertainment & Recreation	$12,097	$26,571

Source: Economic Modeling Specialist, Garner Economics

Major Occupational Change

Over the last five years the largest absolute occupational gains came from *Military* (occupational details are not reported, but classified under a single broad Federal category) (up 5,174 jobs or 11 percent).Other significant gains were made in *Education, training, & library* (up 1,848 jobs or 15 percent) and *Business & financial operations* (up 1,570 jobs or 24 percent). The greatest job losses have come from the *Construction & extraction* group, down 1,071 jobs or 14 percent (Figure 40 and Table 36). The majority remaining absolute losses came from *Transportation & material moving* (down 447 jobs or 4 percent). Of 23 major occupational groups, losses were concentrated in five.

Figure 40
*Employment Change by Major Occupational Group**
Fayetteville 2006-2011



**Military not included, see table below.*
Source: Economic Modeling Specialist, Garner Economics

Table 36
Employment Change by Major Occupational Group
Fayetteville 2006-2011

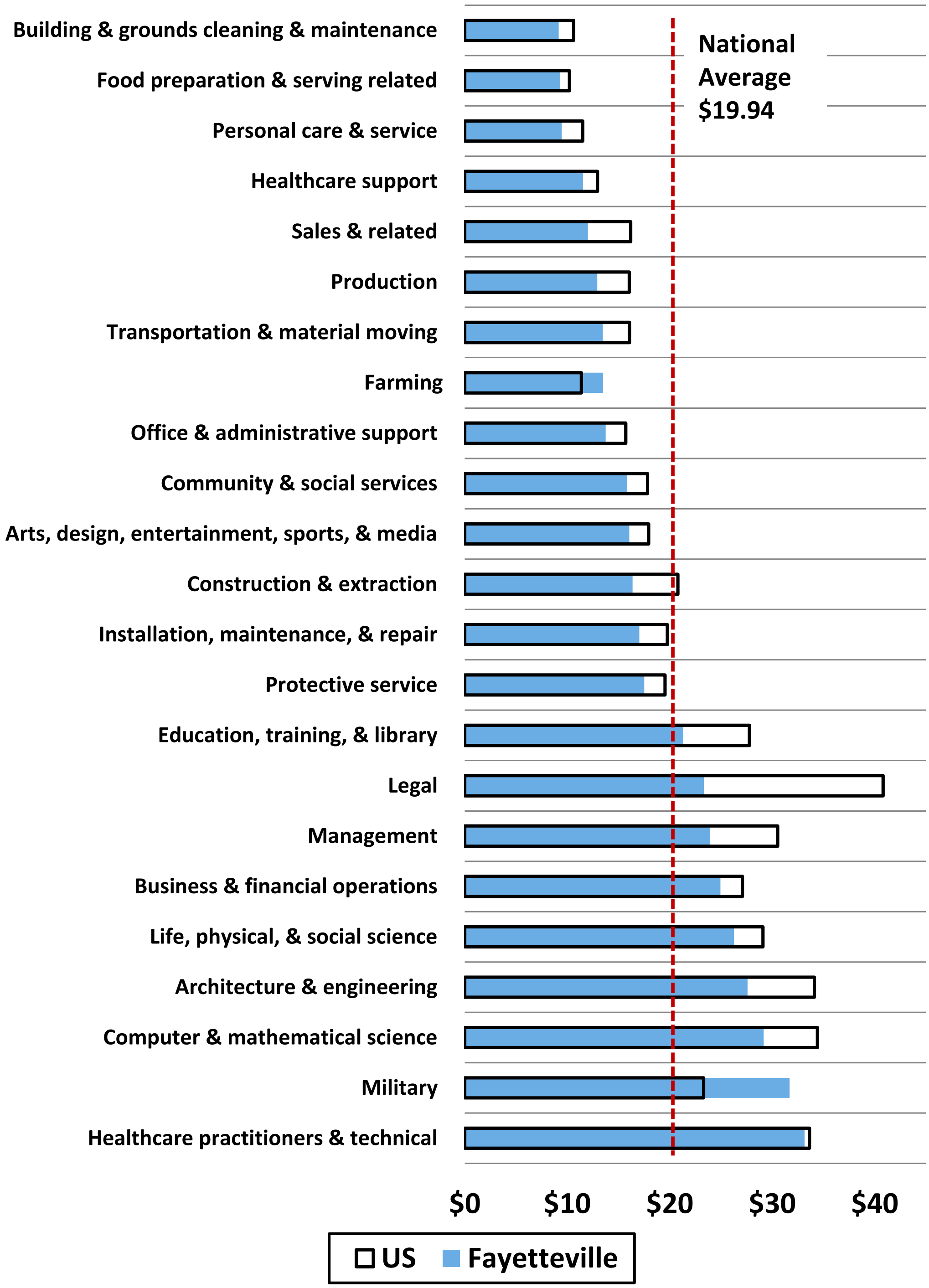
Major Occupational Groups	2011 Jobs	Employment Change #	Employment Change %
Military	53,057	5,174	11%
Education, training, & library	13,775	1,848	15%
Business & financial operations	8,003	1,570	24%
Food preparation & serving related	13,510	1,060	9%
Healthcare practitioners & technical	8,967	1,053	13%
Building & grounds cleaning & maintenance	7,419	801	12%
Management	9,264	751	9%
Healthcare support	7,059	635	10%
Arts, design, entertainment, sports, & media	3,495	553	19%
Personal care & service	5,961	509	9%
Sales & related	21,370	442	2%
Protective service	4,472	424	10%
Office & administrative support	21,788	324	2%
Architecture & engineering	1,666	242	17%
Computer & mathematical science	1,942	238	14%
Life, physical, & social science	1,067	238	29%
Community & social services	3,175	218	7%
Legal	901	67	8%
Farming	427	(4)	(1%)
Production	8,380	(164)	(2%)
Installation, maintenance, & repair	8,132	(236)	(3%)
Transportation & material moving	10,317	(447)	(4%)
Construction & extraction	6,613	(1,071)	(14%)

Source: Economic Modeling Specialist, Garner Economics

Occupational Earnings

A comparison of Fayetteville's average same-occupational earnings to national averages may offer insights into areas of unique expertise or cost saving opportunities. Fayetteville's occupational average earnings exceed the national average in only two areas: *Military* and *Farming* (Figure 41 and Table 37). Earnings gaps, where Fayetteville's averages are notably lower than the nations are in *Legal*, *Management*, and *Education, training, &library* occupations.

Figure 41
Average Hourly Occupational
Earnings Comparison
2011



Source: Economic Modeling Specialist, Garner Economics

Table 37
Average Hourly Occupational
Earnings Comparison
2011

Major Occupational Groups	Fayetteville	US
Healthcare practitioners & technical	$33.17	$33.65
Military	$31.69	$23.30
Computer & mathematical science	$29.17	$34.41
Architecture & engineering	$27.59	$34.11
Life, physical, & social science	$26.27	$29.11
Business & financial operations	$24.95	$27.09
Management	$23.95	$30.53
Legal	$23.34	$40.83
Education, training, & library	$21.32	$27.79
Protective service	$17.51	$19.55
Installation, maintenance, & repair	$17.03	$19.78
Construction & extraction	$16.37	$20.79
Arts, design, entertainment, sports, & media	$16.06	$17.94
Community & social services	$15.84	$17.84
Office & administrative support	$13.76	$15.72
Farming	$13.50	$11.38
Transportation & material moving	$13.47	$16.07
Production	$12.94	$16.06
Sales & related	$12.02	$16.19
Healthcare support	$11.54	$12.95
Personal care & service	$9.47	$11.52
Food preparation & serving related	$9.31	$10.22
Building & grounds cleaning & maintenance	$9.16	$10.64

Source: Economic Modeling Specialist, Garner Economics

The following assessment tools include a series of bubble/scatter charts and tables. Axis and quadrant labels should be read as only general guides resulting from purely quantitative analysis, not definitive conclusions. Each chart and table is meant as only one-piece of a multiple part analysis. To assist the reader in interpreting the bubble charts each axis and quadrant is labeled with broad descriptives.

Chart axis definitions:

- **Specialization**: measured using location quotient (LQ).[5] Reflects the level of relative concentration of a particular occupation/industry/cluster in Fayetteville to the nation. In simple terms, a high LQ's (above 1.2) indicates what a local economy is good at doing, and infers there are unique skills, institutions, raw materials, etc. that support this position.
- **Industry Effect:** The portion of growth/decline attributed to a particular industry or cluster nationwide. For example, if hospital employment grew by 5 percent nationwide in 2009, we would expect to see the same percentage increase locally, assuming that the forces driving nationwide growth would have a similar local impact.
- **Local Effect:** The proportion of growth/decline not captured by the industry effect, indicating local unique performance. The local effect measures local activity outside the expected nationwide trend. A consistent positive local competitive effect signals superior local performance.

Chart quadrant label definitions:

- **At-Risk:** Locally specialized and recent local job losses.
- **Competitive:** Locally specialized and recent local job gains.
- **Declining-** Not locally specialized and recent local job losses.
- **Emerging-** Not locally specialized and recent local job gains.
- **Local Decline/National Growth:** Industry or occupation gains nationwide and local losses or gains below nationwide trend.
- **Local Growth/National Growth:** Industry or occupation gains nationwide and positive local gains or losses less than nationwide trend.
- **Local Growth/National Decline:** Industry or occupation losses nationwide and positive local gains or losses less than nationwide trend.
- **Local Decline/National Decline:** Industry or occupation losses nationwide and local losses or gains below nationwide trend.

Detailed occupational and industry information for Fayetteville can be found in the **Appendices**.

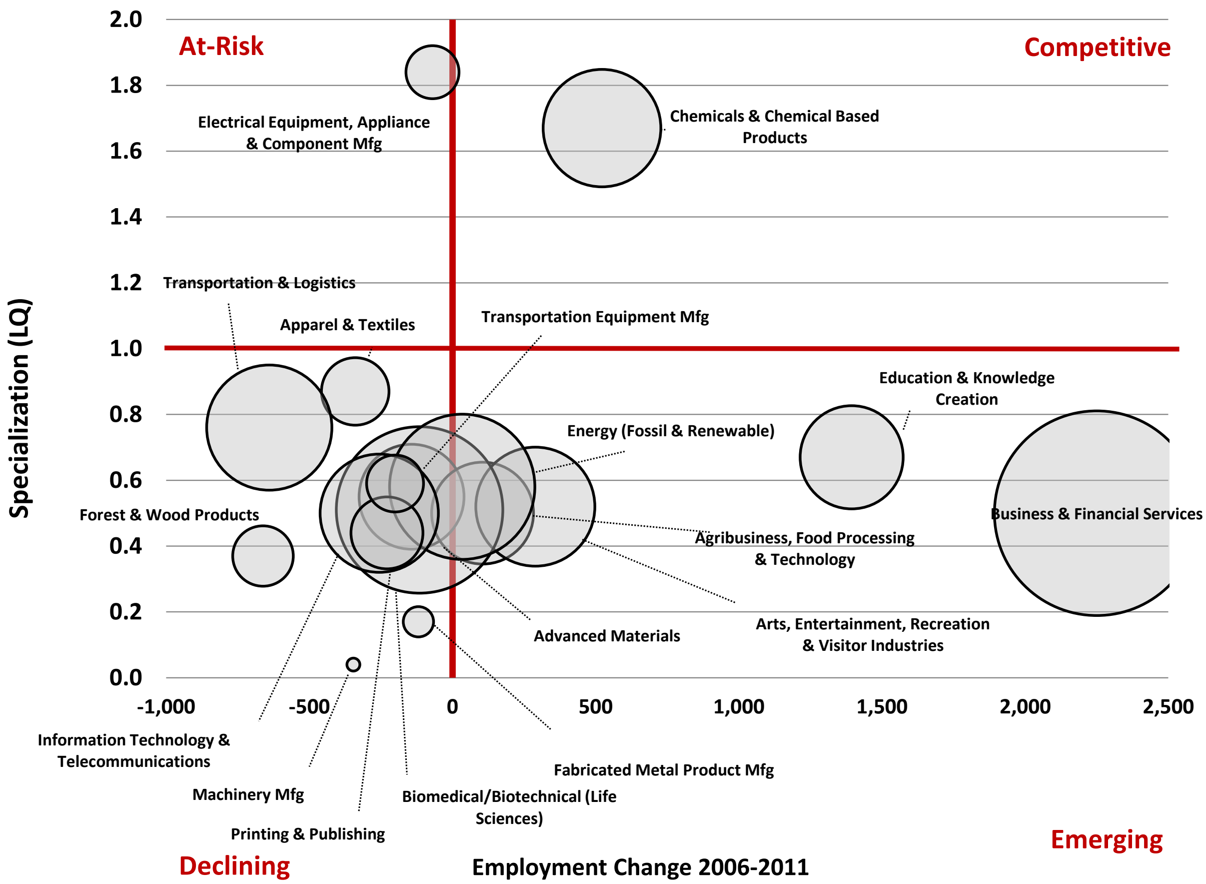
[5]To measure local specialization, location quotients (LQs) for each occupation, industry or cluster is derived. LQs are ratios of an area's distribution of employment for a specific occupation/industry/cluster compared to a reference or base area's distribution. In this analysis the reference area is the U.S. If an LQ is equal to 1, then the industry has the same share of its area employment as it does in the reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the reference area and implies local specialization. LQs are calculated by first, dividing local industry employment by the all industry total of local employment. Second, reference area industry employment is divided by the all industry total for the reference area. Finally, the local ratio is divided by the reference area ratio.

Industry Cluster Specialization & Growth

Industry clusters are geographic concentrations of interconnected businesses, suppliers, and associated institutions in a particular field. Clusters are considered to increase the productivity with which companies can compete, nationally and globally. For the analysis we start with cluster definitions developed by the Purdue Center for Regional Development, and the Indiana Business Research Center at Indiana University's Kelley School of Business through work funded by U.S. Commerce Department's Economic Development Administration. Garner Economics adjusts cluster components to better match the location and particular economic situation.

Observations: The *Defense & Security* cluster (consisting mostly of direct military employment) has the highest degree of local specialization, (location quotient of 6.21). Besides *Defense & Security*, *Chemicals & Chemical Based Products* is the only other cluster with high specialization and growth over the last five years (Figure 42 and Table 38). The *Electrical Equipment, Appliance & Component Mfg.* cluster also demonstrates high specialization, but experienced some job losses over the last five years. *Business & Financial Services* and *Education& Knowledge Creation* both experienced strong growth but are currently not locally specialized.

Figure 42
*Cluster Specialization & Growth**
Fayetteville



**Defense & Security cluster is not included. See table below.*
Size of the bubble represents total employment.
Source: Economic Modeling Specialist, Garner Economics

Table 38
Cluster Specialization & Growth
Fayetteville

Cluster	Five-Year Job Change	LQ	2011 Jobs
Competitive			
Defense & Security	11%	6.21	56,944
Chemicals & Chemical Based Products	522	1.67	4,396
Emerging			
Business & Financial Services	2,250	0.50	13,320
Education & Knowledge Creation	1,394	0.67	3,382
Arts, Entertainment, Recreation & Visitor Industries	289	0.52	4,501
Agribusiness, Food Processing & Technology	105	0.50	3,296
Energy (Fossil & Renewable)	34	0.58	6,705
At-Risk			
Electrical Equipment, Appliance & Component Mfg	(70)	1.84	893
Declining			
Biomedical/Biotechnical (Life Sciences)	(115)	0.51	8,823
Fabricated Metal Product Mfg	(119)	0.17	291
Advanced Materials	(143)	0.55	3,495
Transportation Equipment Mfg	(201)	0.59	1,029
Printing & Publishing	(229)	0.44	1,645
Information Technology & Telecommunications	(256)	0.50	4,445
Apparel & Textiles	(340)	0.87	1,447
Machinery Mfg	(346)	0.04	53
Transportation & Logistics	(640)	0.76	4,986
Forest & Wood Products	(662)	0.37	1,162

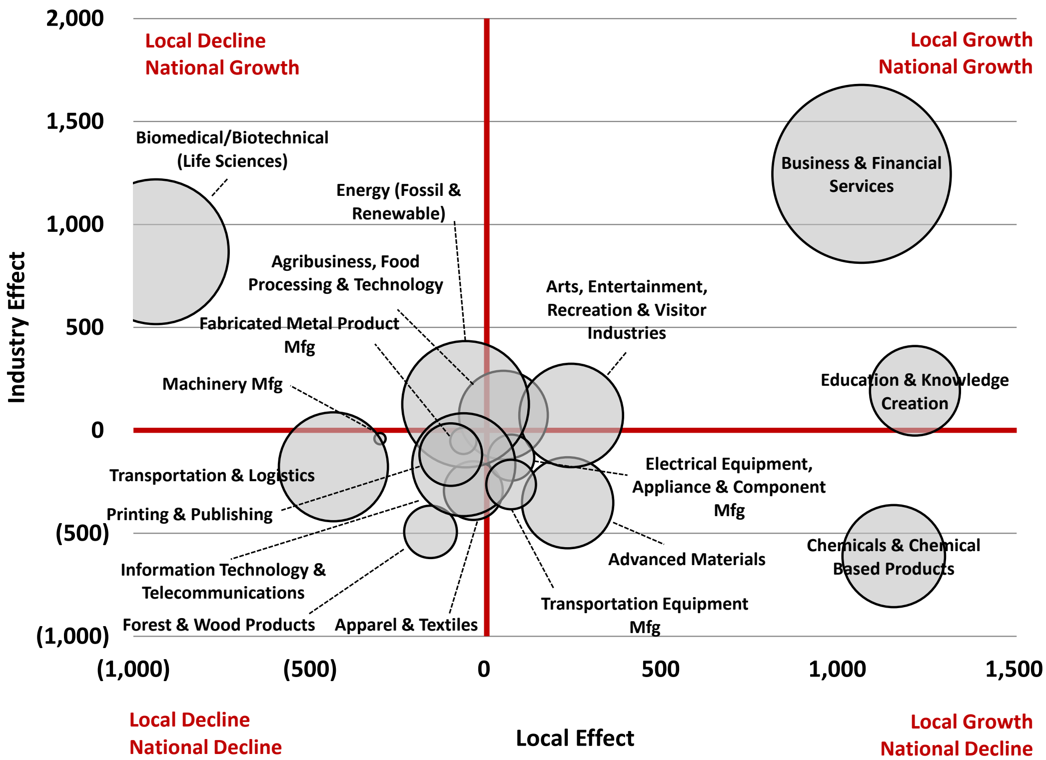
Source: Economic Modeling Specialist, Garner Economics

Industry Cluster Competitiveness

The Competitiveness screen seeks to reveal local competitive advantages (i.e. unique growth beyond what industry trends would achieve).

Observations: The local competitive effect is led by four clusters: *Defense& Security*, *Business & Financial Services*, *Education & Knowledge Creation*, and *Chemicals & Chemical Based Products* (Figure 43 and Table 39).

Figure 43
*Cluster Relative Components of Growth**
2006-2011
Fayetteville



**Defense & Security cluster is not included. See table below.*
Size of the bubble represents total employment.
Source: Economic Modeling Specialist, Garner Economics

Table 39
Cluster Relative Components of Growth
2006-2011 1Q
Fayetteville

Cluster	Local Effect	Industry Effect	20111Q Jobs
Local Growth/National Growth			
Defense & Security	4,098	2,026	56,944
Business & Financial Services	1,061	1,246	13,320
Education & Knowledge Creation	1,212	192	3,382
Agribusiness, Food Processing & Technology	47	74	3,296
Arts, Entertainment, Recreation & Visitor Industries	239	72	4,501
Local Growth/National Decline			
Electrical Equipment, Appliance & Component Mfg	69	(133)	893
Transportation Equipment Mfg	69	(263)	1,029
Advanced Materials	229	(352)	3,495
Chemicals & Chemical Based Products	1,152	(611)	4,396
Local Decline/National Growth			
Biomedical/Biotechnical (Life Sciences)	(936)	867	8,823
Energy (Fossil & Renewable)	(60)	127	6,705
Local Decline/National Decline			
Machinery Mfg	(302)	(41)	53
Fabricated Metal Product Mfg	(66)	(51)	291
Printing & Publishing	(102)	(118)	1,645
Information Technology & Telecommunications	(65)	(167)	4,445
Transportation & Logistics	(434)	(177)	4,986
Apparel & Textiles	(38)	(293)	1,447
Forest & Wood Products	(159)	(493)	1,162

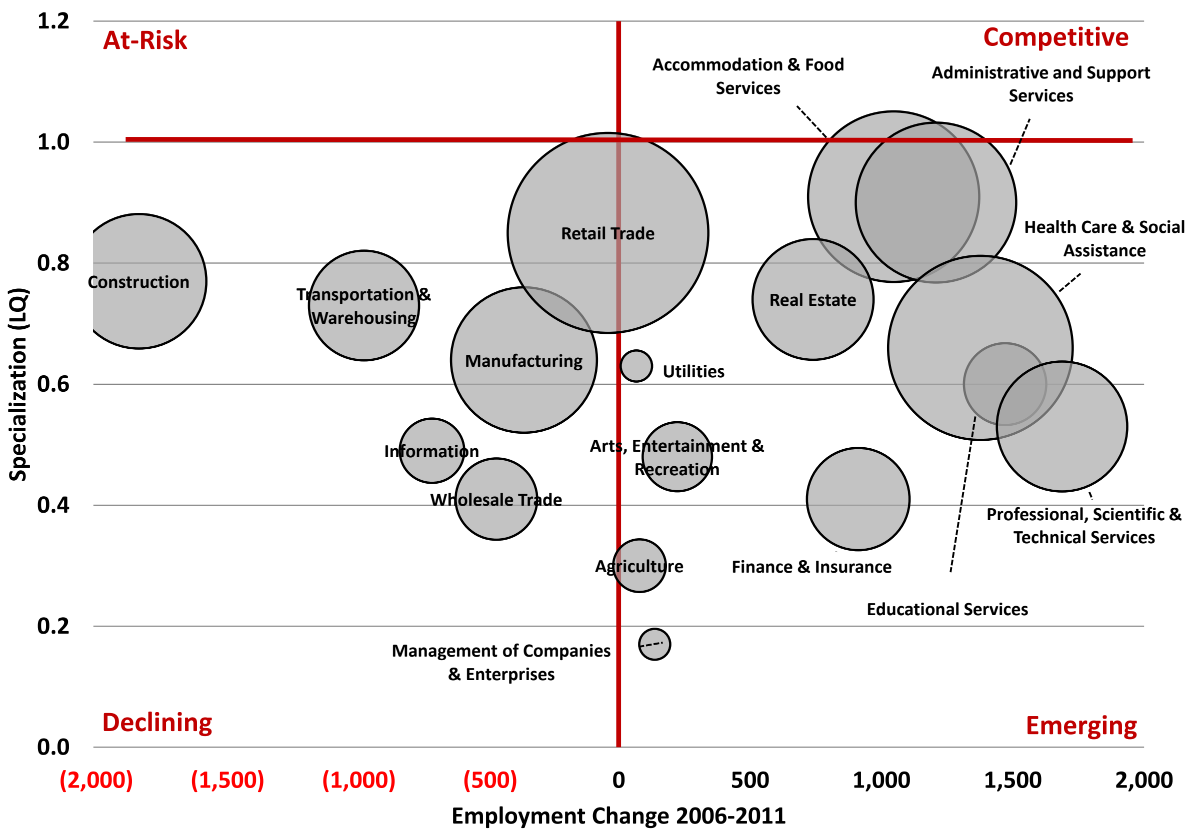
Source: Economic Modeling Specialist, Garner Economics

Industry Sector Specialization & Growth

Industry sectors are the standard industrial classifications used by government agencies based primarily on the grouping of similar final products or services. This screen is similar to the cluster screen, only utilizing the standard NAICS classifications.

Observations: Only the *Government* sector demonstrates local specialization with a location quotient of 3.05 (Figure 44 and Table 40). *Professional, Scientific & Technical Services*, *Educational Services*, *Health Care & Social Assistance* and *Administrative and Support Services* experienced strong growth over the last five years.

Figure 44
*Industry Specialization & Growth**
Fayetteville



*Government sector not shown. See table below.
Size of the bubble represents total employment.
Source: Economic Modeling Specialist, Garner Economics

Table 40
Industry Specialization & Growth
Fayetteville

Industry Sector	Five Year Change	LQ	20111Q Jobs
Competitive			
Government	9,236	3.05	91,726
Emerging			
Professional, Scientific & Technical Services	1,688	0.53	8,074
Educational Services	1,471	0.60	3,220
Health Care & Social Assistance	1,377	0.66	16,231
Administrative and Support Services	1,208	0.90	12,246
Accommodation & Food Services	1,047	0.91	13,951
Finance & Insurance	912	0.41	5,000
Real Estate	740	0.74	6,979
Arts, Entertainment & Recreation	223	0.48	2,283
Management of Companies & Enterprises	137	0.17	457
Agriculture	79	0.30	1,320
Utilities	67	0.63	466
Declining			
Retail Trade	(41)	0.85	19,171
Manufacturing	(361)	0.64	10,139
Wholesale Trade	(466)	0.41	3,168
Information	(711)	0.49	1,979
Transportation & Warehousing	(970)	0.73	5,775
Construction	(1,827)	0.77	8,651
Retail Trade	(41)	0.85	19,171

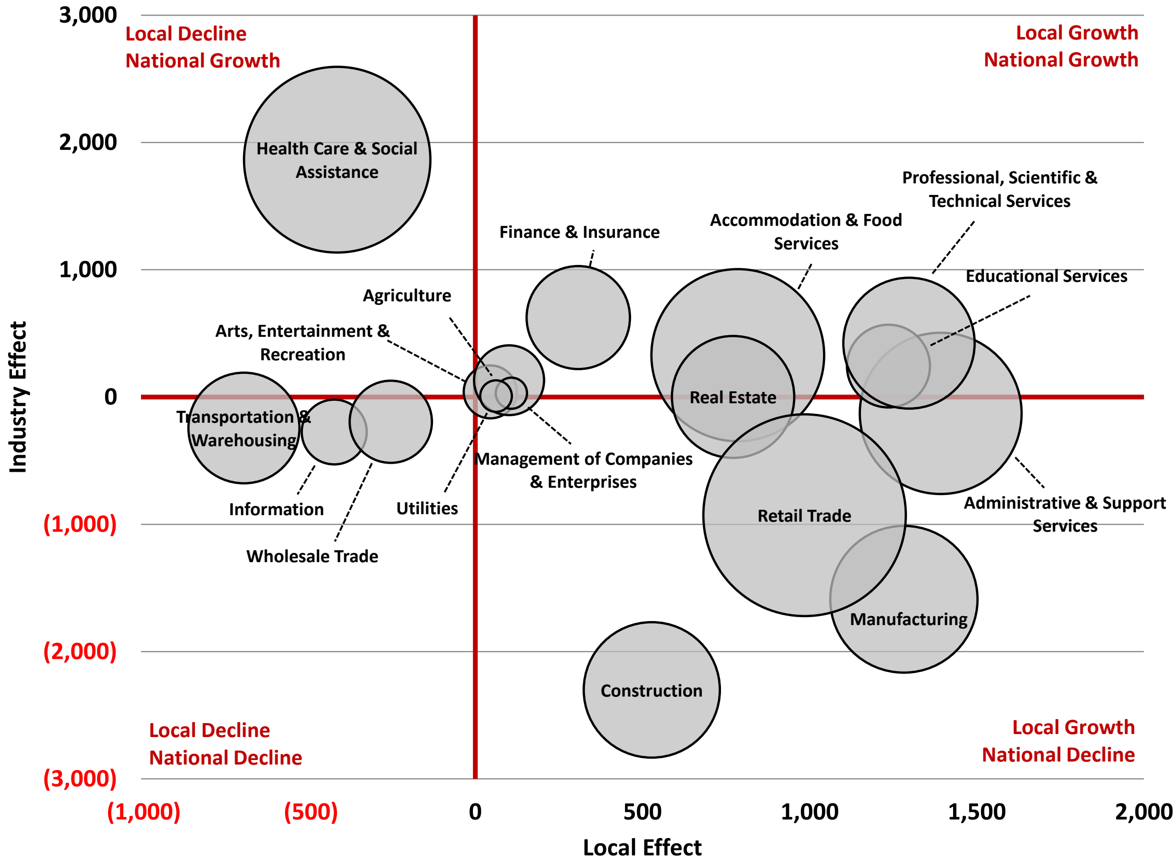
Source: Economic Modeling Specialist, Garner Economics

Industry Sector Competitiveness

The Competitiveness screen seeks to reveal local competitive advantages (i.e. unique growth beyond what industry trends would achieve).

Observations: *Government*, *Professional, Scientific & Technical Services*, *Manufacturing*, *Educational Services*, and *Administrative & Support Services* demonstrated strong local competitive effects over the last five years (Figure 45 and Table 41).

Figure 45
*Industry Relative Components of Growth**
2006-2011
Fayetteville



*Government sector not shown. See table below.
Size of the bubble represents total employment.
Source: Economic Modeling Specialist, Garner Economics

Table 41
Fayetteville
Industry Relative Components of Growth
2006-2011

Industry Sector	Local Effect	Industry Effect	2011 1Q Jobs
Local Growth/National Growth			
Government	7,856	1,803	91,726
Finance & Insurance	308	625	5,000
Professional, Scientific & Technical Services	1,297	424	8,074
Accommodation & Food Services	785	329	13,951
Educational Services	1,236	243	3,220
Arts, Entertainment & Recreation	101	132	2,283
Agriculture	45	41	1,320
Management of Companies & Enterprises	108	30	457
Utilities	62	8	466
Real Estate	771	1	6,979
Local Growth/National Decline			
Administrative & Support Services	1,392	(128)	12,246
Retail Trade	985	(928)	19,171
Manufacturing	1,282	(1,589)	10,139
Construction	528	(2,301)	8,651
Local Decline/National Growth			
Health Care & Social Assistance	(413)	1,865	16,231
Local Decline/National Decline			
Wholesale Trade	(253)	(194)	3,168
Information	(422)	(275)	1,979
Transportation & Warehousing	(692)	(243)	5,775

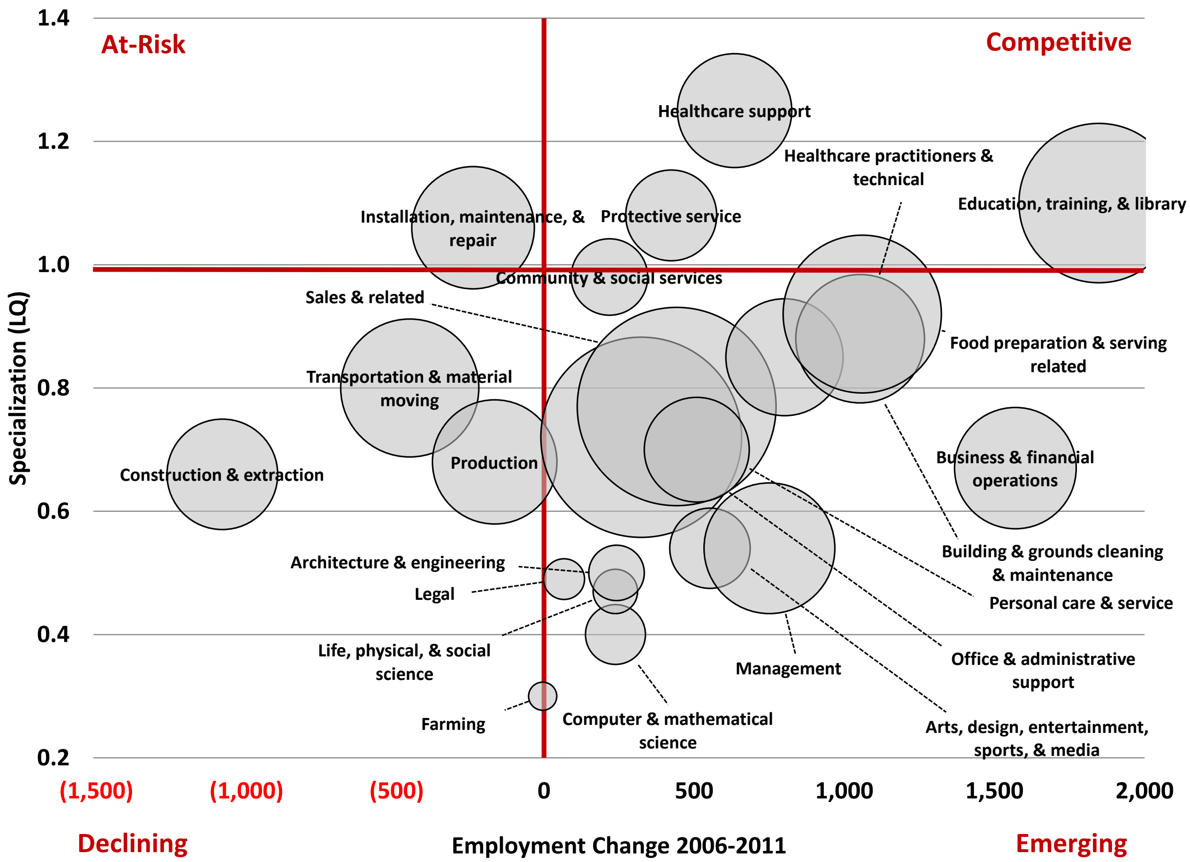
Source: Economic Modeling Specialist, Garner Economics

Occupational Specialization & Growth

Occupational grouping represent similar skills and educational qualifications. The groupings do not necessarily reflect any specific industries sector or clusters.

Observations: Over the last five years the largest absolute occupational gains came from Military which also has the highest location quotient (occupational details are not reported, but classified under a single broad Federal category). Four other occupational groups experienced growth, and had measures of local specialization: *Healthcare support*, *Education, training, & library*, and *Protective services* (Figure 46 and Table 42).

Figure 46
*Occupational Specialization & Growth**
Fayetteville



**Military not shown. See table below.*
Size of the bubble represents total employment.
Source: Economic Modeling Specialist, Garner Economics

Table 42
Occupational Specialization & Growth
Fayetteville

Occupational Group	Five Year Change	LQ	2011 1Q Jobs
Competitive			
Military	5,174	20.68	53,057
Healthcare support	635	1.25	7,059
Education, training, & library	1,848	1.10	13,775
Protective services	424	1.08	4,472
Emerging			
Business & financial operations	1,570	0.67	8,003
Food preparation & serving related	1,060	0.92	13,510
Healthcare practitioners & technical	1,053	0.88	8,967
Building & grounds cleaning & maintenance	801	0.85	7,419
Management	751	0.54	9,264
Arts, design, entertainment, sports, & media	553	0.54	3,495
Personal care & service	509	0.70	5,961
Sales & related	442	0.77	21,370
Office & administrative support	324	0.72	21,788
Architecture & engineering	242	0.50	1,666
Life, physical, & social science	238	0.47	1,067
Computer & mathematical science	238	0.40	1,942
Community & social services	218	0.98	3,175
Legal	67	0.49	901
At-Risk			
Installation, maintenance, & repair	(236)	1.06	8,132
Declining			
Farming	(4)	0.30	427
Production	(164)	0.68	8,380
Transportation & material moving	(447)	0.80	10,317
Construction & extraction	(1,071)	0.66	6,613

Source: Economic Modeling Specialist, Garner Economics

SECTION 6: OPTIMAL TARGETS FOR FAYETTEVILLE AND CUMBERLAND COUNTY, NC

The optimal industry target selection is based on the site-specific characteristics of the Fayetteville and Cumberland County economy. Using results from past studies, the Competitive Realities Report, Community Assets and Challenges Assessment, field visits, and the Business Climate Survey; four industry targets were chosen that best match the unique competitive advantages in the area to the needs of particular industry sectors. Each sector selected has a record of above-average wages, projected growth, and participation in commercial activities that will create wealth in Fayetteville and Cumberland County, both in the short and long term.[6]

Because economies are dynamic and impossible to precisely predict, these four optimal targets offer opportunities across several non-competing sectors, affording a means to diversify economic development strategies and avoid risky over-concentration.

Prospects are particularly interested in an established and skilled workforce, plus the region's capacity to supply newly trained workers, especially among higher-skilled occupations, so special efforts were made to link demanded occupations and training to Fayetteville and Cumberland County's workforce and supply pipeline.

The target information is presented in a practical and workable format; avoiding complex analysis and extensive projections of future outcomes. Instead, the justifications for the targets should be clearly apparent and make sense to the average practitioner. Under each major target sector, a list of individual subsectors is provided, with accompanying NAICS classifications. A full description for each subsector target can be found in Table 49. Detailed subsector targets help to bridge the gap from broad economic concepts to a workable means for identifying specific prospective industries and firms.

For each target a bulleted list of rationales is presented and identified as appealing to the needs of prospects (**P**) or the community (**C**). This material can be used in marketing and community support efforts, or to help economic development personnel prioritize targeting efforts.

[6] Local wealth creation is driven by exporting value-added products and services, or in some cases by importing outside dollars via activities such as tourism. All other activities, which primarily serve the local market, such as retail, would not be considered as viable industry targets for recruitment or expansion.

Fayetteville and Cumberland County Optimal Targets

DOD Critical Contract Support	High Value Business & Financial Services	Innovative Manufacturing	
		Electrical Equipment Manufacturing	Specialized Chemical & Plastics Manufacturing
Subsector Targets			
↓	↓	↓	↓
• Data Processing, Hosting, and Related Services • Administrative Management and General Management Consulting Services • Specialized Scientific and Technical Consulting Services • Expert Professional, Scientific, and Technical Services • Corporate, Subsidiary, and Regional Managing Offices • Office Administrative Services • Computer Systems Design Services	• Financial Transactions Processing, Reserve, and Clearinghouse Activities • Third Party Administration of Insurance and Pension Funds • Payroll Services • Testing Laboratories • Process, Physical Distribution, and Logistics Consulting Services	• Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing • Specialized Lighting Equipment Manufacturing • Other Major Household Appliance Manufacturing • Relay and Industrial Control Manufacturing • Other Communication and Energy Wire Manufacturing	• Plastics Material and Resin Manufacturing • Pharmaceutical Preparation Manufacturing • In-Vitro Diagnostic Substance Manufacturing • Biological Product Manufacturing • Adhesive Manufacturing • Plastics Packaging Film and Sheet Manufacturing • Urethane and Other Foam Product Manufacturing • Plastics Bottle Manufacturing

Department of Defense Critical Contract Support Cluster

The *Department of Defense Critical Contract Support* target is designed to take advantage of the flow of business activities generated by military contractors at Fort Bragg. The target aims to localize and deepen key supporting input activity into the Fayetteville and Cumberland County economy. Presently, many of these inputs are being provided from outside the area. Developing theses support services locally can benefit both contractors and the community. To identify the most promising sectors the following methodology was employed:

- Compile and analyze Fort Bragg Department of Defense contract awards for Fiscal Years 2009, 2010, and 2011 as reported by the Office of Management and Budget. A total of 15,270 contracts qualified.
- From above results, screen and rank for contracts providing *Professional, Scientific, or Technical Services*. A total of 2,131 contracts qualified, with a total net dollar amount obligated of $544,314,292. Four contract activities accounted for 78.6 percent of the total dollars obligated for *Professional, Scientific, or Technical Services* (see summary of results Table 47).
- From results above, identify top inputs required for the top four contract activities via input-output modeling (see summary of results Table 48).
- Select the top input activities based on projected growth, average annual earnings, transferability, and match to local assets and amenities (see results Table 43).

Table 43
Department of Defense Critical Contract Support Target Detail
US Industry Overview

NAICS Code	Name	Employment 2011	Average Annual Earnings*	Five-Year Projected Employment Change (%)
518210	Data Processing, Hosting, and Related Services	309,982	$80,651	13.1%
541611	Administrative Management and General Management Consulting Services	814,172	$82,466	22.8%
541690	Specialized Scientific and Technical Consulting Services	329,539	$67,101	31.9%
541990	Expert Professional, Scientific, and Technical Services	1,045,734	$49,927	6.9%
551114	Corporate, Subsidiary, and Regional Managing Offices	1,967,890	$109,952	6.5%
561110	Office Administrative Services	750,155	$55,225	13.7%
541512	Computer Systems Design Services	875,450	$95,909	16.9%

**Fayetteville's average annual earnings per private industry job is $39,871.*
Source: Economic Modeling Specialist, Garner Economics

Target Rationales (**P**rospect, **C**ommunity):

- Positive five-year projected growth of industry targets, averaging 16 percent. (C)
- Industry target average annual wages of $77,319; 94 percent above Fayetteville's private industry average.(C)
- Record of demonstrated and quantifiable demand. (P)
- High relative rankings in Broadband accessibility and capacity. (P)
- Focus group participants expressed concern that for many professional services, companies feel compelled to do business with firms in Raleigh, Charlotte or elsewhere since availability of those firms are limited locally. (C)
- Sizeable existing occupation pool in key high-demand positions, see below. (P)
- High relative proportion of residents in prime entry working age group of 20-34 years. (P)
- Institutional support for demanded occupations by Fayetteville Technical Community College, Fayetteville State University, and Methodist University, see degrees and completions below. (P)
- High number of Bachelor's degree completions in the STEM fields of Biological & biomedical sciences, followed by Computer & Information Sciences, and Mathematics & Statistics. (P)
- Emerging growth in the Business & Financial Services industry cluster, up 2,250 jobs over the last five years, and currently totaling 13,320 at 2,267 local establishments. (P)
- Emerging growth in the Business & Financial Operation occupational cluster, up 1,570 jobs over the last five years, and currently totaling 8,003. (P)
- Availability of small office space for professional business services. (P)
- Community assets: low cost-of-living, presence of professional and collegiate sporting events, and an attractive Central Business District. (P)

Fayetteville's Current Key Occupation Pool (P)

- Executive secretaries and administrative assistants, 3,199
- Customer service representatives, 2,470
- Bookkeeping, accounting, and auditing clerks, 1,595
- Business operation specialists, all other, 1,473
- First-line supervisors/managers of office and administrative support workers, 1,256
- General and operations managers, 1,220
- Accountants and auditors, 892
- Management analysts, 473
- Computer support specialists, 382
- Paralegals and legal assistants, 313
- Computer programmers, 248
- Computer systems analysts, 165
- Network and computer systems administrators, 157

- Network systems and data communications analysts, 144
- Market research analysts, 81
- Computer and information systems managers, 70
- Database administrators, 57

Fayetteville's Educational Completions in Key Occupations/Skills[7](P)

Master's degree

- *Business Administration and Management, General*, Fayetteville State University, Methodist University (29 annual completions)
- *Mathematics*, Fayetteville State University, Methodist University (3 annual completions)

Bachelor's degree

- *Business Administration and Management, General*, Fayetteville State University, Methodist University (128 annual completions)
- *Accounting*, Fayetteville State University, Methodist University (18 annual completions)
- *Finance, General*, Fayetteville State University (24 annual completions)
- *Computer Science*, Fayetteville State University, Methodist University (10 annual completions)
- *Mathematics*, Fayetteville State University, Methodist University (6 annual completions)

Associate's degree

- *Accounting*, Fayetteville Technical Community College, Methodist University (18 annual completions)
- *Business Administration and Management, General*, Fayetteville Technical Community College, Methodist University (38 annual completions)
- *Computer Systems Networking and Telecommunications*, Fayetteville Technical Community College (13 annual completions)
- *Computer and Information Systems Security*, Fayetteville Technical Community College (6 annual completions)
- *Human Resources Management/Personnel Administration, General*, Fayetteville Technical Community College (25 annual completions)
- *Operations Management and Supervision*, Fayetteville Technical Community College (15 annual completions)
- *Legal Assistant/Paralegal*, Fayetteville Technical Community College (9 annual completions)
- *Information Science/Studies*, Fayetteville Technical Community College (4 annual completions)

[7] Postsecondary completions are reported by the National Center for Education Statistics per local institution. The Center does not report completions from satellite campuses, remote facilities or online programs at their respective locations; thus Fayetteville area completions from Miller-Motte, Troy and Shaw Universities are not included.

- *Engineering Technologies/Technicians, Other*, Fayetteville Technical Community College (4 annual completions)
- *Office Management and Supervision*, Fayetteville Technical Community College (5 annual completions)

High-Value Business & Financial Services Cluster

High-Value Business Services are a mix of highly specialized services involving financial or expert activities (see Table 44). Many of the services initially developed in-house; but with technological advances, transactional complexity and unique skill-set demands, are increasingly functioning as stand-alone operations.

Specialized financial services allow businesses to focus on core competencies. Opportunities in outsourced financial services will continue to be driven by the popularity of electronic payments and the declining use of paper checks and cash. Businesses will rely more heavily on credit cards and other electronic payment methods, such as smartphones. Outsourced financial services offer lower costs on a per-unit basis through increases in productivity and efficiency. Over time, investments in technology will further drive productivity gains, and efficiencies will improve with economies of scale due to greater consolidation of specialized activities.

Opportunities in specialized expert services are driven largely by increasing government regulation, public concerns over health and safety, and the growth of logistical and process complexities. Equipment costs, training and skill-set demands make the activities increasingly difficult to operate in-house.

Table 44
High Value Business & Financial Services Target Detail
US Industry Overview

NAICS Code	Name	Employment 2011	Average Annual Earnings*	Five-Year Projected Employment Change (%)
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities	130,223	$74,608	25.6%
524292	Third Party Administration of Insurance and Pension Funds	193,724	$59,018	9.7%
541214	Payroll Services	165,645	$68,602	6.1%
541380	Testing Laboratories	153,879	$75,650	1.7%
541614	Process, Physical Distribution, and Logistics Consulting Services	138,532	$69,411	22.0%

**Fayetteville's average annual earnings per private industry job is $39,871.*
Source: Economic Modeling Specialist, Garner Economics

Target Rationales (**P**rospect, **C**ommunity):

- Positive five-year projected growth of industry targets, averaging 13 percent. (**C**)
- Industry target average annual wages of $69,458;74 percent above Fayetteville's private industry average.(**C**)
- High relative rankings in Broadband accessibility and capacity. (**P**)
- Sizeable existing occupation pool in key high-demand positions, *see below*. (**P**)
- High relative proportion of residents in prime entry working age group of 20-34 years. (**P**)
- Institutional support for demanded occupations by Fayetteville Technical Community College, Fayetteville State University, and Methodist University, *see degrees and completions below.* (**P**)
- High number of Bachelor's degree completions in the STEM fields of Biological & biomedical sciences, followed by Computer & Information Sciences, and Mathematics & Statistics (17). (**P**)
- Emerging growth in the *Business & Financial Services* industry cluster, up 2,250 jobs over the last five years, and currently totaling 13,320 at 2,267 local establishments. (**P**)
- Emerging growth in the *Business & Financial Operation* occupational cluster, up 1,570 jobs over the last five years, and currently totaling 8,003. (**P**)
- Availability of small office space for professional business services. (**P**)
- Focus group participants expressed concern that for many professional services, companies feel compelled to do business with firms in Raleigh, Charlotte or elsewhere since availability of those firms are limited locally. (**C**)
- Community assets: low cost-of-living, presence of professional and collegiate sporting events, and an attractive Central Business District. (**P**)

Fayetteville's Current Key Occupation Pool (P)

- Office clerks, general, 2,855
- Customer service representatives, 2,470
- Bookkeeping, accounting, and auditing clerks, 1,595
- First-line supervisors/managers of office and administrative support workers, 1,256
- General and operations managers, 1,220
- Accountants and auditors, 892
- Inspectors, testers, sorters, samplers, and weighers, 723
- Claims adjusters, examiners, and investigators, 296
- Financial managers, 264
- Medical and clinical laboratory technicians, 156
- Insurance claims and policy processing clerks, 120
- Civil engineering technicians, 111

Fayetteville's Educational Completions in Key Occupations/Skills (P)

Master's degree

- *Business Administration and Management, General*, Fayetteville State University, Methodist University(29 annual completions)
- *Mathematics*, Fayetteville State University, Methodist University(3 annual completions)

Bachelor's degree

- *Business Administration and Management, General*, Fayetteville State University, Methodist University(128 annual completions)
- *Accounting*, Fayetteville State University, Methodist University(18 annual completions)
- *Finance, General*, Fayetteville State University(24 annual completions)
- *Mathematics*, Fayetteville State University, Methodist University(6 annual completions)
- *Biology/Biological Sciences, General*, Fayetteville State University, Methodist University(37 annual completions)
- *Chemistry*, Fayetteville State University, Methodist University (12 annual completions)

Associate's degree

- *Accounting*, Fayetteville Technical Community College, Methodist University(18 annual completions)
- *Business Administration and Management, General*, Fayetteville Technical Community College, Methodist University(38 annual completions)
- *Computer Systems Networking and Telecommunications*, Fayetteville Technical Community College (13 annual completions)

- *Computer and Information Systems Security*, Fayetteville Technical Community College (6 annual completions)
- *Operations Management and Supervision*, Fayetteville Technical Community College (15 annual completions)
- *Information Science/Studies*, Fayetteville Technical Community College (4 annual completions)
- *Engineering Technologies/Technicians, Other*, Fayetteville Technical Community College (4 annual completions)
- *Banking and Financial Support Services*, Fayetteville Technical Community College (7 annual completions)
- *Executive Assistant/Executive Secretary*, Fayetteville Technical Community College (7 annual completions)
- *Office Management and Supervision*, Fayetteville Technical Community College (5 annual completions)

INNOVATIVE MANUFACTURING CLUSTER

Current trends and economic factors indicate that the U.S. can expect a revival in domestic manufacturing. Shifting dynamics, both domestically and overseas, are leading more manufactures to reconsider the U.S. as the optimal location for operations. Declining global wages differentials, rising transportation costs, complex supply chains, and advancing technologies are all helping to make U.S. sites more attractive for manufacturers.

A select group of manufactures are anticipated to experience exceptional growth over the next five-ten years due to unique developments. These innovative manufactures are working with products that are capitalizing on rapidly emerging technologies and dramatic shifts in consumer demand. They are exemplified by the use of newly formulated materials, processes and applications. Because new operations for many of these innovators require reconfiguration, retraining, and retooling, they are more likely to be seeking new sites than the bulk of traditional manufacturers. As such, they offer unique opportunities for attraction.

Electrical Equipment Manufacturing

The *Electrical Equipment Manufacturing* industry target represents firms focused on the manufacture of lighting, electric appliances, and electrical transmission products (see Table 45). The industry group is at the forefront of research and development in new energy efficient consumer applications. Increased post-recession building activity, both residential and commercial, should provide additional opportunity for growth.

Lighting and appliance manufacturers are undergoing a transformation with the development of new “smart” products that operate more efficiently, such as self-diagnosing features that communicate with an owner’s smartphone or tablet. For example, the new LG smart refrigerator keeps track of expiration dates and allows the owners to check what is in their fridge while they are at the store. Some home electrical equipment will interact with a smart power grid that predicts the best time to run for maximum efficiency and, thus, lowest cost.

Demand for reliable and efficient energy and data communications will promote demand for transmission products, as will a strengthening US economy and government incentives (a combination of current incentives and new ones) targeted at the energy and high-speed broadband sectors. The Electric Power Research Institute estimates that there is a need to spend “between $50 billion and $100 billion over several years to upgrade the nation’s transmission system.”

Table 45
Specialized Electrical Equipment Manufacturing Target Detail
US Industry Overview

NAICS Code	Name	Employment 2011	Average Annual Earnings*	Five-Year Projected Employment Change (%)
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing	20,418	$69,751	9.9%
335129	Specialized Lighting Equipment Manufacturing	9,968	$66,144	2.5%
335228	Other Major Household Appliance Manufacturing	10,857	$85,228	22.5%
335314	Relay and Industrial Control Manufacturing	48,508	$98,070	1.2%
335929	Other Communication and Energy Wire Manufacturing	12,586	$76,142	14.0%

**Fayetteville’s average annual earnings per private industry job is $39,871, manufacturing is $61,188.*
Source: Economic Modeling Specialist, Garner Economics

Target Rationales (**P**rospect, **C**ommunity):

- Positive five-year projected growth of industry targets, averaging 10 percent. (**C**)
- Industry target average annual wages of $79,067; 98 percent above Fayetteville's private industry average, and 23 percent above Fayetteville's manufacturing average.(**C**)
- High relative rankings in Broadband accessibility and capacity (**P**)
- High relative proportion of residents in prime entry working age group of 20-34 years (**P**)
- Support for production occupational training by Fayetteville Technical Community College, *see degrees below.* (**P**)
- Existing specialization in Electrical Equipment, Appliance & Component Mfg. cluster, with current employment totaling 893. (**P**)
- Employment demand for production positions matches Fayetteville's higher relative proportion of residents whose highest level of educational attainment is *some college, no degree*, or *Associate's degree*. (**P**)
- Sizeable existing occupation pool in key high-demand positions, *see below*. (**P**)
- Community assets: low cost-of-living, presence of professional and collegiate sporting events, and an attractive Central Business District. (**P**)

Fayetteville's Current Key Occupation Pool (P)

- Laborers and freight, stock, and material movers, hand, 2,207
- Customer service representatives, 2,470
- Maintenance and repair workers, general, 2,027
- Stock clerks and order fillers, 1,817
- Team assemblers, 829
- Inspectors, testers, sorters, samplers, and weighers, 723
- Industrial truck and tractor operators, 641
- First-line supervisors/managers of production and operating workers, 524
- Shipping, receiving, and traffic clerks, 510
- Production, planning, and expediting clerks, 297
- Electrical and electronic engineering technicians, 131
- Computer-controlled machine tool operators, 119
- Industrial production managers, 116
- Machinists, 105
- Coil winders, tapers, and finishers, 63
- Electrical engineers, 61
- Electrical and electronic equipment assemblers, 49

Fayetteville's Educational Completions in Key Occupations/Skills (P)

Associate's degree

- *Operations Management and Supervision*, Fayetteville Technical Community College (15 annual completions)
- *Engineering Technologies/Technicians, Other*, Fayetteville Technical Community College (4 annual completions)
- *Machine Shop Technology/Assistant*, Fayetteville Technical Community College (2 annual completions)
- *Electrical/Electronic/Communications Engineering Technology/Technician*, Fayetteville Technical Community College (2 annual completions)

SPECIALIZED CHEMICAL & PLASTICS MANUFACTURING

The *Specialized Chemical & Plastics Manufacturing* industry target is a set of two sectors, each positioned for rapid growth and expansion: 1) products associated with medical or pharmaceuticals uses, or 2) new products or applications made from plastics (see Table 46). Growth potentials are very high based on both speedy technological advances in these fields, and solid, quantifiable demand.

Demand for pharmaceuticals and medical/biological manufacturing are being driven largely by transformational demographics shifts as the nation, and global population ages. Additionally, overall use of prescription and nonprescription drugs is increasing across all age groups. Finally, the prospect of healthcare reform's broadening insurance coverage will likely cause spending on pharmaceuticals to rise proportionally. As pharmaceuticals and medical/biological manufacturing operations mature, the focus will continue to switch towards production efficiencies in order to capture growing demand. Opportunities will be developing for more commoditized cost-driven establishments, versus the earlier high-cost R&D-driven plants that dominated the sector in previous years.

Plastics manufacturing is driven by rapidly expanding applications of plastic products across a multitude of fields such as: a) consumers purchasing more bottled water, sports drinks, food containers and dairy products, b) lighter, more fuel-efficient composite materials, especially for automobiles and aircraft, and c) plastic substitutes to heavier mechanical fasteners. As rapidly as plastic product demand is growing, so also are plastic manufacturing technologies, such as improvements in laminations, co-extrusions, barrier resistance, printing and adhesive qualities. Plastics manufacturing occupies some of the most advanced frontiers of research and innovation in manufacturing with developments in biodegradables, nanocomposites, and radio frequency identification technology (RFID).

Table 46
Specialized Chemical & Plastics Manufacturing Target Details
US Industry Overview

NAICS Code	Name	Employment 2011	Average Annual Earnings*	Five-Year Projected Employment Change (%)
325412	Pharmaceutical Preparation Manufacturing	212,002	$136,633	6.4%
325413	In-Vitro Diagnostic Substance Manufacturing	19,517	$108,124	20.6%
325414	Biological Product (except Diagnostic) Manufacturing	26,638	$115,090	13.0%
325211	Plastics Material and Resin Manufacturing	52,651	$108,862	1.7%
325520	Adhesive Manufacturing	20,266	$87,086	1.8%
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing	12,735	$64,750	43.9%
326150	Urethane and Other Foam Product (except Polystyrene) Manufacturing	30,917	$56,230	9.1%
326160	Plastics Bottle Manufacturing	32,075	$60,087	8.3%

**Fayetteville's average annual earnings per private industry job is $39,871, manufacturing is $61,188.*
Source: Economic Modeling Specialist, Garner Economics

Target Rationales (**P**rospect, **C**ommunity):

- Positive five-year projected growth of industry targets, averaging 13 percent. (**C**)
- Industry target average annual wages of $92,108;131 percent above Fayetteville's private industry average, and 34 percent above Fayetteville's manufacturing average.(**C**)
- High relative proportion of residents in prime entry working age group of 20-34 years (**P**)
- Support for production occupational training by Fayetteville Technical Community College, *see degrees below.* (**P**)
- Existing high specialization and growth in the Chemicals & Chemical Based Products Mfg. cluster, with current employment totaling 4,396 at 46 local establishments. (**P**)
- Employment demand for production positions matches Fayetteville's higher relative proportion of residents whose highest level of educational attainment is *some college, no degree*, or *Associate's degree*. (**P**)
- Sizeable existing occupation pool in key high-demand positions, *see below*. (**P**)
- High number of Bachelor's degree completions in the STEM fields of Biological & biomedical sciences. (**P**)
- Community assets: low cost-of-living, presence of professional and collegiate sporting events, and an attractive Central Business District. (**P**)

Fayetteville's Current Key Occupation Pool (P)

- Customer service representatives, 2,470
- Maintenance and repair workers, general, 2,027
- Team assemblers, 829
- Inspectors, testers, sorters, samplers, and weighers, 723
- First-line supervisors/managers of production and operating workers, 524
- Packaging and filling machine operators and tenders, 235
- Molding, coremaking, and casting machine setters, operators, and tenders, 177
- Industrial machinery mechanics, 170
- Mixing and blending machine setters, operators, and tenders, 90
- Extruding and drawing machine setters, operators, and tenders, 83
- Chemical equipment operators and tenders, 62
- Chemical plant and system operators, 51
- Chemists, 29

Fayetteville's Educational Completions in Key Occupations/Skills (P)

Bachelor's degree

- *Biology/Biological Sciences, General*, Fayetteville State University, Methodist University(37 annual completions)
- *Chemistry*, Fayetteville State University, Methodist University (12 annual completions)

Associate's degree

- *Operations Management and Supervision*, Fayetteville Technical Community College (15 annual completions)
- *Engineering Technologies/Technicians, Other*, Fayetteville Technical Community College (4 annual completions)
- *Machine Shop Technology/Assistant*, Fayetteville Technical Community College (2 annual completions)

Table 47
Department of Defense Contract Awards
Professional, Scientific, or Technical Services
Fort Bragg: FY Years 2009 -2010-2011

Obligated Amount	Percent of Total	NAICS	Industry Title
$150,243,126.75	27.6%	541519	Computer Related Services
$128,230,553.27	23.6%	541930	Translation & Interpretation Services
$94,242,165.10	17.3%	541330	Engineering Services
$55,301,174.88	10.2%	541512	Computer Systems Design Services
$428,017,020.00	**78.6%**		**Top Four Industries**
$30,477,336.90	5.6%	541310	Architectural Services
$19,174,439.68	3.5%	541513	Computer Facilities Management Services
$18,051,582.04	3.3%	541990	All Other Professional, Scientific, & Technical Services
$10,076,031.63	1.9%	541611	Administrative Management & General Management Consulting Services
$9,827,440.38	1.8%	541511	Custom Computer Programming Services
$7,591,370.06	1.4%	541612	Human Resources & Executive Search Consulting Services
$4,909,500.00	0.9%	541712	Research & Development in Physical, Engineering, & Life Sciences (Except Biotechnology)
$3,917,310.63	0.7%	541690	Other Scientific & Technical Consulting Services
$3,905,850.46	0.7%	541614	Process, Physical Distribution, & Logistics Consulting Services
$3,076,152.39	0.6%	541620	Environmental Consulting Services
$1,533,694.16	0.3%	541618	Other Management Consulting Services
$1,281,071.37	0.2%	541370	Surveying & Mapping (except Geophysical) Services
$807,297.60	0.1%	541380	Testing Laboratories
$517,839.05	0.1%	541490	Other Specialized Design Services
$309,422.80	0.1%	541211	Offices of Certified Public Accountants
$169,679.93	0.03%	541199	All Other Legal Services
$155,181.58	0.03%	541710	Other Scientific & Technical Consulting Services
$140,144.00	0.03%	541810	Advertising Agencies
$132,826.00	0.02%	541850	Display Advertising
$63,075.00	0.01%	541910	Marketing Research & Public Opinion Polling
$53,662.50	0.01%	541110	Offices of Lawyers
$40,935.42	0.01%	541720	Research & Development in the Social Sciences & Humanities
$38,123.67	0.01%	541890	Other Services Related to Advertising
$19,499.00	0.004%	541711	Other Scientific & Technical Consulting Services
$15,449.99	0.003%	541820	Public Relations Agencies
$12,355.88	0.002%	541430	Graphic Design Services

Source: Office of Management and Budget, Garner Economics LLC

Table 48
Top Industry Input Activities
(For NAICS 541519, 541930, 541330 and 541512)

NAICS	Industry Title
541611	Administrative Management and General Management Consulting Services
541310	Architectural Services
522110	Commercial Banking
541512	Computer Systems Design Services
551114	Corporate, Subsidiary, and Regional Managing Offices

518210	Data Processing, Hosting, and Related Services
524114	Direct Health and Medical Insurance Carriers
524113	Direct Life Insurance Carriers
524126	Direct Property and Casualty Insurance Carriers
541330	Engineering Services
541990	Expert Professional, Scientific, and Technical Services
722110	Full-Service Restaurants
541430	Graphic Design Services
721110	Hotels and Motels
533110	Lessors of Nonfinancial Intangible Assets
531120	Lessors of Nonresidential Buildings
531110	Lessors of Residential Buildings and Dwellings
722211	Limited-Service Restaurants
561110	Office Administrative Services
541211	Offices of Certified Public Accountants
541110	Offices of Lawyers
531210	Offices of Real Estate Agents and Brokers
324110	Petroleum Refineries
561330	Professional Employer Organizations
541712	Research and Development in the Physical, Engineering, and Life Sciences (except Biotechnology)
481111	Scheduled Passenger Air Transportation
541690	Specialized Scientific and Technical Consulting Services
561320	Temporary Help Services
541380	Testing Laboratories
517110	Wired Telecommunications Carriers

Source: Economic Modeling Specialist, Garner Economics

Table 49
Target Industry
Detailed Descriptions

Department of Defense Critical Contract Support
518210 Data Processing, Hosting, and Related Services
This industry comprises establishments primarily engaged in providing infrastructure for hosting or data processing services. These establishments may provide specialized hosting activities, such as web hosting, streaming services or application hosting; provide application service provisioning; or may provide general time-share mainframe facilities to clients. Data processing establishments provide complete processing and specialized reports from data supplied by clients or provide automated data processing and data entry services.
541611 Administrative Management and General Management Consulting Services
This industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations on administrative management issues, such as financial planning and budgeting, equity and asset management, records management, office planning, strategic and organizational planning, site selection, new business startup, and business process improvement. This industry also includes establishments of general management consultants that provide a full range of administrative; human resource; marketing; process, physical distribution, and logistics; or other management consulting services to clients.
541690 Specialized Scientific and Technical Consulting Services
This industry comprises establishments primarily engaged in providing advice and assistance to businesses and other organizations on scientific and technical issues (except environmental).

541990	Expert Professional, Scientific, and Technical Services
This industry comprises establishments primarily engaged in the provision of professional, scientific, or technical services.	
551114	Corporate, Subsidiary, and Regional Managing Offices
This industry comprises establishments (except government establishments) primarily engaged in administering, overseeing, and managing other establishments of the company or enterprise. These establishments normally undertake the strategic or organizational planning and decisionmaking role of the company or enterprise. Establishments in this industry may hold the securities of the company or enterprise.	
561110	Office Administrative Services
This industry comprises establishments primarily engaged in providing a range of day-to-day office administrative services, such as financial planning; billing and recordkeeping; personnel; and physical distribution and logistics for others on a contract or fee basis. These establishments do not provide operating staff to carry out the complete operations of a business.	
541512	Computer Systems Design Services
This industry comprises establishments primarily engaged in planning and designing computer systems that integrate computer hardware, software, and communication technologies. The hardware and software components of the system may be provided by this establishment or company as part of integrated services or may be provided by third parties or vendors. These establishments often install the system and train and support users of the system.	
High Value Business & Financial Services	
522320	Financial Transactions Processing, Reserve, and Clearinghouse Activities
This industry comprises establishments primarily engaged in providing one or more of the following: (1) financial transaction processing (except central bank); (2) reserve and liquidity services (except central bank); and/or (3) check or other financial instrument clearinghouse services (except central bank).	
524292	Third Party Administration of Insurance and Pension Funds
This industry comprises establishments primarily engaged in providing third party administration services of insurance and pension funds, such as claims processing and other administrative services to insurance carriers, employee-benefit plans, and self-insurance funds.	
541214	Payroll Services
This industry comprises establishments (except offices of CPAs) engaged in the following without also providing accounting, bookkeeping, or billing services: (1) collecting information on hours worked, pay rates, deductions, and other payroll-related data from their clients; and (2) using that information to generate paychecks, payroll reports, and tax filings. These establishments may use data processing and tabulating techniques as part of providing their services.	
541380	Testing Laboratories
This industry comprises establishments primarily engaged in performing physical, chemical, and other analytical testing services, such as acoustics or vibration testing, assaying, biological testing (except medical and veterinary), calibration testing, electrical and electronic testing, geotechnical testing, mechanical testing, nondestructive testing, or thermal testing. The testing may occur in a laboratory or on-site.	
541614	Process, Physical Distribution, and Logistics Consulting Services
This industry comprises establishments primarily engaged in providing operating advice and assistance to businesses and other organizations in areas, such as: (1) manufacturing operations improvement; (2) productivity improvement; (3) production planning and control; (4) quality assurance and quality control; (5) inventory management; (6) distribution networks; (7) warehouse use, operations, and utilization; (8) transportation and shipment of goods and materials; and (9) materials management and handling.	
Electrical Equipment Manufacturing	
335122	Commercial, Industrial, and Institutional Electric Lighting Fixture Manufacturing
This U.S. industry comprises establishments primarily engaged in manufacturing commercial, industrial, and institutional electric lighting fixtures.	

335129	Specialized Lighting Equipment Manufacturing
This industry comprises establishments primarily engaged in manufacturing electric lighting fixtures (except residential, commercial, industrial, institutional, and vehicular electric lighting fixtures) and nonelectric lighting equipment.	
335228	Other Major Household Appliance Manufacturing
This industry comprises establishments primarily engaged in manufacturing electric and nonelectric major household-type appliances (except cooking equipment, refrigerators, upright and chest freezers, and household-type laundry equipment).	
335314	Relay and Industrial Control Manufacturing
This industry comprises establishments primarily engaged in manufacturing relays, motor starters and controllers, and other industrial controls and control accessories.	
335929	Other Communication and Energy Wire Manufacturing
This industry comprises establishments primarily engaged in manufacturing insulated wire and cable of nonferrous metals from purchased wire.	
Specialized Chemical & Plastics Manufacturing	
325211	Plastics Material and Resin Manufacturing
This industry comprises establishments primarily engaged in (1) manufacturing resins, plastics materials, and nonvulcanizable thermoplastic elastomers and mixing and blending resins on a custom basis and/or (2) manufacturing noncustomized synthetic resins.	
325412	Pharmaceutical Preparation Manufacturing
This U.S. industry comprises establishments primarily engaged in manufacturing in-vivo diagnostic substances and pharmaceutical preparations (except biological) intended for internal and external consumption in dose forms, such as ampoules, tablets, capsules, vials, ointments, powders, solutions, and suspensions.	
325413	In-Vitro Diagnostic Substance Manufacturing
This industry comprises establishments primarily engaged in manufacturing in-vitro (i.e., not taken internally) diagnostic substances, such as chemical, biological, or radioactive substances. The substances are used for diagnostic tests that are performed in test tubes, petri dishes, machines, and other diagnostic test-type devices.	
325414	Biological Product (except Diagnostic) Manufacturing
This U.S. industry comprises establishments primarily engaged in manufacturing vaccines, toxoids, blood fractions, and culture media of plant or animal origin (except diagnostic).	
325520	Adhesive Manufacturing
This industry comprises establishments primarily engaged in manufacturing adhesives, glues, and caulking compounds.	
326112	Plastics Packaging Film and Sheet (including Laminated) Manufacturing
This industry comprises establishments primarily engaged in converting plastics resins into plastics packaging (flexible) film and packaging sheet.	
326150	Urethane and Other Foam Product (except Polystyrene) Manufacturing
This industry comprises establishments primarily engaged in manufacturing plastics foam products (except polystyrene).	
326160	Plastics Bottle Manufacturing
This industry comprises establishments primarily engaged in manufacturing plastics bottles.	

Source: U.S. Census Bureau, Garner Economics LLC

SECTION 7: OBSERVATIONS, CONCLUSIONS AND RECOMMENDATIONS

The Fayetteville metro area has performed better than some locations in the U.S. with respect to weathering one of worst recessions in generations; for one reason only, Department of Defense spending as a result of two global wars. Through December 2011, total employment in Fayetteville is up an average 1.4 percent or 1,800 more jobs over the year. The pace is above the nation, state and benchmarked communities. Since 2005 Fayetteville has experienced an annual average job growth rate of 0.8 percent; above the nation, state and Augusta, but tied with Huntsville. Recession losses were not as severe in Fayetteville, with the most profound losses at 2.3 percent, or -3,000, which is less than what was experienced in the nation, state and benchmarks.

The Fayetteville region (through the Chamber) recognizes that to be successful in an ever changing global economy, regions and communities must be innovative, adaptive and have the ability to change and evolve, just as successful companies in the private sector do when local and global economic conditions change. The recommendations below provide the steps to meet this challenge.

To be successful in an ever changing global economy, regions and communities must be innovative, adaptive and have the ability to change and evolve.

Recommendations for action are categorized under three areas of opportunity:

- Product Marketing
- Product Improvement
- Organizational

The "Product" is the Fayetteville region. Recommendations with a **(T)** are considered Transformational in nature and would have a profound positive long term economic impact to the region's economy if implemented.

PRODUCT MARKETING

(Product marketing is defined as marketing/promoting or selling the Fayetteville region worldwide for business development opportunities and investment.)

1. **Image Survey:** Fayetteville and Cumberland have had a long and rich history of serving as the home of a number of US Army Commands and DOD installations. There is much to be proud of with that relationship and the DOD's commitment to the community. Federal government investment (related to the military) in the community has driven the economy for decades, but as a result, demeaning nicknames have been given to Fayetteville over the years, e.g."FayetteNam," related to the number of service men and women who spent time in Fayetteville either to or from Vietnam.

   Because of this history and existing quality of place factors that are perceived as weak by visitors and residents alike related to community aesthetics and quality of life, a recent North Carolina survey conducted the Public Policy Polling Group on how North Carolina residents favor the major cities of North Carolina, ranked Fayetteville dead last in the survey (see below).

	Favorable	Unfavorable	Not sure
Wilmington	67%	4%	29%
Raleigh	67%	11%	22%
Asheville	61%	12%	27%
Charlotte	59%	18%	23%
Greensboro	56%	11%	33%
Winston-Salem	55%	8%	37%
Chapel Hill	53%	18%	29%
Durham	38%	29%	33%
Fayetteville	29%	30%	41%

Source: Public Policy Polling, 2012

   Since the Chamber has not conducted an image survey of potential investors from outside of the State, the Chamber should conduct a brand identity and image survey of the region with site location consultants, companies within the targeted industry recommendations and clusters, and large existing employers. The result of this effort will help the Chamber to craft brand messaging based on the assets and challenges of the region as perceived by the customer and potential client. This should be done in partnership with other external organizations involved in economic development, such as the CVB, and any other ancillary group that markets the region externally for investment. The Chamber will need to engage a firm that specializes in brand analysis and recommendations. These types of firms are typically found in large urban areas such as Chicago and New York and can communicate and analyze the opinion of the Chamber's many customers in how the region is perceived.

2. **Unified Brand:** Groups that have some form of external marketing effort, led by the Chamber, should create a unified external brand identity for the region, based on the feedback noted above from the Image Survey. Using a unified message and graphic identity will help in global brand awareness, and pool marketing dollars and efforts. The region will need to brand itself effectively with an external marque to leverage marketing opportunities.

   Using a unified message and graphic identity will help in global brand awareness, and pool marketing dollars and efforts.

   Best practice examples: Kansas City Area Development Corporation; Team NEO (Northeast Ohio of Cleveland, Akron, Canton and Youngstown), Asheville, NC.

3. **Marketing the County (Sub-Region):** Once the due diligence has been completed (image survey) and the message developed (unified brand), then the Chamber should work in unison with North Carolina's Southeast (regional marketing group) in messaging specifically for the sub-region of the Fayetteville – Cumberland County MSA which is comprised of Cumberland and Hoke Counties. In our focus groups, many of the respondents noted how important it was for the Chamber to get the message out regarding the value proposition of area. Since North Carolina's Southeast is focused on an 11 county macro region, it's imperative that the Fayetteville region have their own marketing effort that will work in conjunction with NC's Southeast, especially as it relates in leveraging marketing dollars.

4. **Web site:** Though the Fayetteville Chamber's web site does have some information that is of value to potential investors, in many facets, it needs a major overhaul since a community's web site is the most important marketing tool and as such, needs to be designed to offer the resources that meet your specific audiences need. In summary, our immediate recommendations to enhance the Chamber's web site include:

   - Have a separate portal specifically for the economic development function separate from the Chamber and void of any advertising, which cheapens the image and the message from the site. As the Chamber's economic development efforts transition to an Economic Development Alliance, this is a necessity.
   - Have your own database of available sites and buildings separate from the NC Department of Commerce. The current link between the two sites is inoperable more often than not.
   - Put globally positioned contact information (especially phone) at the top of each page and on all downloadable material.
   - Write a central homepage paragraph that describes the site's purpose and the mission of the (new) organization.
   - Integrate optimized, branded, thematic maps throughout the site to orient and inform your audience as they read related text.

- Restructure navigation to better serve your audiences, especially for recruitment. Consider orienting navigation by audience type such as site selectors and for each of the four industry targets.
- Use a PDF creator so your visitors can customize documents on the fly.
- Improve traffic to the site by focusing on search engine optimization in your site redesign.
- Translate a community overview and local statistical data via a PDF into Japanese, Chinese, Korean, German, Spanish, Portuguese, Hebrew (great growth opportunity from Israeli companies) and any other languages from countries that have an influx or interest into the Fayetteville region.

5. **Enhance the Fayetteville region's marketing collateral, media, and public relations efforts:**

   - Develop targeted marketing materials for talent recruitment efforts.
   - Create a monthly e-newsletter for external audiences which communicate newsworthy items of interest for potential corporate investors, site location consultants and economic development allies.
   - Develop a branded Power Point template and slide library that can be drawn from to create custom sales presentations.
   - Produce a regional overview brochure highlighting the region's key business-competitiveness advantages and resources.
   - Create target audience datasheets highlighting the region's assets specifically to the profiled sectors.
   - Acquire software and online tools to facilitate contact and prospect management.
   - Contract with a top public relations (PR) firm or individual to promote the County in the local, state, and national press.

6. **Lead Generation and Target Profiling:** The Chamber should engage a firm that will target the universe of companies within the industry targets and sub-targets noted in our report that will offer the County the best opportunity for investment within the community. Garner Economics partners with Applied Marketing Sciences as specialists in this quantitative approach to lead generation.

   The targeting process should be scientific in nature, evaluating key metrics, including: sales, employment, growth, number of locations, and other relevant factors. Company activities and events that indicate expansion or consolidation—such as mergers and acquisitions, executive changes, technology development, and overall industry trends—are layered on top of the numbers to identify the target companies that have the means and the indicative corporate behavior. This will allow the Partnership to conduct its marketing efforts in a very focused and direct manner.

7. **Establish target industry working groups for each of the four focused targets** (*DOD Critical Contract Support, High Value Business & Financial Services, Innovative manufacturing, which includes: Electrical Equipment, Manufacturing Specialized Chemical & Plastics Manufacturing*). The Chamber should create task forces or working groups that seek input into the knowledge of other business leaders within these clusters and industry targets. These business experts can help the Chamber craft specific messages and marketing activities related to the clusters and the related targeted industries.

8. **Consultant solicitation:** The Chamber should call on site location consultants that represent these targeted companies to explain the benefits of locating in the Fayetteville region. Many of these consultants are based in Atlanta, Chicago, Dallas and the New York/New Jersey metro area. The Chamber should have a formalized visitation program to visit each of these cities once a year.

9. **Familiarization (FAM) tours:** In partnership with Ft. Bragg, conduct an annual FAM tour with the top site location consultants annually by letting them participate in interactive activities at Ft. Bragg (soldier for a day). It is best to conduct this through the ***Site Selectors Guild***, a consortium of the top site location consultants globally. See more about the Guild at http://siteselectorsguild.com/

10. **International travel/business solicitation:** Business solicitation efforts know no boundaries. The Fayetteville region should pursue targeted businesses whether they are in Seattle or Singapore. However, it is crucial that the Chamber manage expectations with local stakeholders to understand that business recruitment abroad is a long term proposition (at least five years of focused effort). There should be an understanding to fund international recruitment efforts and to be diligent by going to those countries with the highest targeted number of prospects on at least an annual basis. To be successful in any job solicitation effort, foreign direct investment needs to be a part of an overall economic development strategy, including foreign direct investment cultural protocol, which Garner Economics provides training for.

Business solicitation efforts know no boundaries. The Fayetteville region should pursue targeted businesses whether they are in Seattle or Singapore.

PRODUCT MARKETING RECOMMENDATIONS SUMMARY

Recommendation	Responsible Org	Schedule	Estimated Cost	Tactic
Image Survey	Chamber	2013	$25K	See recommendation 1 above.
Unified Brand	Led by the Chamber; external marketing agencies ,e.g. CVB	2013	$45K	See recommendation 2 above.
Marketing the County (Sub-Region)	Chamber	2013-2017	$50K per year	See recommendation 3 above.
Web site	Chamber	2012, with updates graphically based on a new brand	$35K	See recommendation 4 above.
Enhance the Fayetteville region's marketing collateral, media, and public relations efforts	Chamber	2012-2013	$45K per year	See recommendation 5 above.
Lead Generation and Target Profiling	Chamber	2013-2014	$30K per year	Use Applied Marketing
Establish target industry working groups for each of the four focused targets	Chamber	2012-2017	NA.	This will be a committee through the Chamber.
Consultant solicitation	Chamber	2012-2016	$15K per year	See recommendation 8 above.
Familiarization (FAM) tours	Chamber	2013, 2015, 2017	$30K per year.	See recommendation 9 above.
International travel/business solicitation	Chamber	2013-2017	$25K per year	See recommendation 10.

PRODUCT IMPROVEMENT

(Product improvement is defined as the County having the necessary infrastructure, including a favorable business climate, to attract investment in the community. Product improvement is the foundation that allows product marketing to succeed. Items reviewed for consideration include sites and buildings, transportation infrastructure, utility infrastructure, workforce development, leadership and incentives.)

Recommendations with a **(T)** are considered Transformational in nature and we believe would have a profound positive long term economic impact to the region's economy if implemented.

1. **Sustainable funding for economic development infrastructure (T):** Cumberland County should create a sustainable funding source for economic development that will benefit the region as a whole. This approach, if successfully enacted, is transformational in nature and would have a profound positive impact to the area. If enacted or developed, the County will be able to differentiate itself as an innovator by creating a funding source for deal closing, entrepreneurial development, venture capital or early stage investment funding, product improvement (infrastructure) and marketing (with limitations). In 1979, the Texas Legislature decentralized economic development by giving cities and counties more control over their destiny and allowing each to vote on a one cent sales tax for those items described above. As a result, we believe Texas has the best practice example of sustainable funding for economic development that can be used broadly as it relates to economic development on the local level.

   Cumberland County should create a sustainable funding source for economic development that will benefit the region as a whole. This approach, if successfully enacted, is transformational in nature and would have a profound positive impact to the area.

   According to the Fayetteville Chamber, Cumberland County alone had taxable retail sales in 2011 of $3.3 billion. A $.01 sales tax devoted product development following the Texas model would generate approximately $33 million on an annual basis (a half cent would be $16.5 million; still a significant funding mechanism). This type of initiative is transformational and would truly set the region apart from many communities in the US. It would allow for mega site development, municipal water and sewer in more areas of the County, deal closing opportunities and more. This single effort would do more to transform Cumberland County economically and help to diversify its economy than other recommendation noted.

2. **Shovel ready sites (T):** Cumberland County is limited on having fully served, shovel ready industrial sites of significant size, often called mega sites. Because of that limitation, the area will not typically be considered by projects that need a site in excess of 250+ acres. Currently, the Chamber's database of available industrial sites lists the Sand Hill Road site in the Cumberland Industrial Center as on the only site of significance that currently meets the

definition of a shovel ready site (with infrastructure in place and ready to go). Cedar Creek Business Park does not meet that definition since 3 phase power is not available in the Park. Small office space options are available for professional business services on a small scale throughout Fayetteville. An industrial site is defined as a site under single ownership, for sale or lease at a published price, and with all infrastructure in place to the site, e.g. water, sewer, roads, gas, electricity, high speed internet access. Economic development officials and industrial brokers in the region recognize that they are deficient in available sites and are interested in identifying property that may be suitable for an industrial site or industrial park.

The Chamber should lead an effort to 1) Engage interested municipalities in the region to participate in a jointly owned municipal park, 2) Solicit proposals for land submissions to consider, and 3) Employ an engineering firm to analyze and conduct due diligence of the top 2 sites for review.

3. **STEM High School (T):** Degree completions in STEM fields (Science, Technology, Engineering and Mathematics) are an important indicator of regional competitiveness and economic potential. STEM-related careers are amongst some of the best-paying jobs, typically having excellent potential for future growth. Measured as completions per 100,000 residents, and compared to the benchmarks, Fayetteville is slightly above Augusta and well below Huntsville for the number of Associate, Bachelor's and Master's degree completions in STEM fields.

   The Cumberland County School System should consider partnering with Fayetteville State University or any other like college or university to offer a STEM high school in Cumberland County, thus raising the bar for education options for public school students who academically qualify for admission.

4. **Political Institute:** A community's quality of life and economic development success is predicated on the quality of its public leaders, current and future, who are prepared to serve with excellence and make a difference. Those communities that are proactive have worked over the years by having the business community—most typically represented by a Chamber of Commerce—host a political institute to help train and increase understanding of the local political process and to be business advocates.

   A community's quality of life and economic development success is predicated on the quality of its public leaders, current and future, who are prepared to serve with excellence and make a difference.

   Numerous comments were heard frequently in the focus group meetings about how challenging the business climate of the region can be because of some elected officials that are perceived to be unfriendly towards business. A sample comment that was equally reacted to with voices of agreement was, "We have to figure out a way to get the private sector leaders more engaged in the local politics. We need a local government that is pro-business and there to help rather than hinder."

For the Chamber to be successful in business and policy advocacy, they cannot be reliant on public funds. The only public funds that should be received are through the new Economic Alliance discussed further in this report, which will be a public/private partnership. Additionally, public or government officials should serve the Chamber Board as ex officio-non-voting members of the Board. The Chamber Board should meet quarterly and the regular governance of the organization will be led by the Chamber's Executive Committee, which will meet monthly.

It is recommended that the Chamber, representing the voice of the business community, conduct its own political institute using the model of what is working successfully in Jacksonville, FL. See the Jacksonville Political Leadership Institute example to learn more about how this effort is done effectively on a local level. http://www.jaxrpli.org/home.html

5. **UNC affiliated higher education initiatives (T):** In our focus groups, many individual expressed the need to enhance higher education academic offerings in Fayetteville, such as what exists in Asheville, Greensboro and Pembroke with a UNC related campus. Understanding the cost constraints and limitations of creating a new campus may be nearly impossible in a declining tax environment and higher education public spending cuts, is an option to fill the void in engineering degree programs for Fayetteville. The UNCA/NC State example of students pursuing The JOINT Bachelor of Science in Engineering (JEM) Degree - Mechatronics Concentration allow students to remain on the UNC Asheville campus for the entire degree and follow a curriculum which focuses on the curriculum of Mechatronics. The course combines the best of both worlds - the engineering expertise of NC State and the liberal arts environment and curriculum of UNC Asheville.

The aesthetics of the area are not conducive to presenting the County in its best light.

If desiring to expand the degree curriculum in engineering, then UNC Asheville has a Two-Plus-Two Program (2+2) program. Students begin at UNC Asheville and transfer to NC State University after two years to complete a B.S. Engineering degree in one of the 14 fields.

Fayetteville should explore similar options with a UNC branded campus (long term) or a joint degreed program in engineering similar to the UNCA/NC State effort.

6. **Enhance the community's aesthetics:** The aesthetics of the area are not conducive to presenting the County in its best light. The gateways into the community, a higher than US average of vacant homes (14.14% vs. 10.37% nationally), litter, and a general perception of lack of community pride, are all potential impediments to private economic investment in the area. Best practice examples of community beautification and successful redevelopment of blighted neighborhoods include the Paducah Renaissance Alliance, a national Main Street program; the

City of Walterboro, SC and its Village Renaissance development, a CDBG initiative; and, Southside Greensboro, NC, an award winning redevelopment neighborhood.

With the Chamber leading community visitation efforts, locations should be considered on how communities have advanced the aesthetics of their geographies and sustained that effort. Local Keep America Beautiful initiatives, design charettes, environmental courts and enforcement are all examples of what some communities have done successfully in enhancing a community's quality of place.

7. **Free Wireless in the CBD and Regional Airport:** The City of Fayetteville should install free wireless broadband in the central business district and at the airport. This largely symbolic effort downtown will show mobile entrepreneurs that the community has embraced technology and supports mobile entrepreneurs (people who can work anywhere but select a community based on the quality of place and physical assets of a location).

   Having a free wireless network at the airport shows business travelers that the community is business friendly.

8. **Air passenger terminal:** in spite of the fact that the City of Fayetteville has spent several million dollars in terminal improvements, the facility shows poorly, is not clean in some of the public areas, has no working free wireless for passengers, and gives the impression of an archaic bus station. This is not only the sentiments of the authors, but from many local users who voiced opinion about the terminal during focus groups related to the business climate of the community. An airport is often times the gateway to the community and in its current state, does not present Fayetteville and Cumberland County effectively. The airport should consider a true remodeling of the terminal to give it a more modern appearance and customer friendly use.

9. **Airline subsidy:** The most realistic way for Fayetteville to enhance its air service is by subsidizing an airline (revenue guarantee), e.g. Panama City, FL and Southwest Airlines; Wichita, KS and AirTran Airways. The only realistic funding mechanism to allow this to occur is through our recommendations on a public source of funding noted previously.

10. **Growing the Talent Pipeline:**
    a. Nurture and grow the talent pipelines to support sustainable growth in the region's identified clusters. The **utilization of career academies or career pathways in middle and high school with a curriculum that meets the needs of businesses in the identified clusters will help sustain and grow the talent pipeline**.

    b. Engage the K-12 school system, FTCC and four year institutions in the area to work with the area high schools so that **each high school student has the ability and option to graduate from**

high school with an Associate Arts degree from an area community college or two years of credit hours from a four year university. Promote the Early College High School Initiative offered at Cross Creek High School.

c. **Create career awareness of cluster occupations through internships**. In our focus groups with employers, a concern they identified was a lack of awareness of existing firms and specific job openings within the region. The various employment organizations need to feature these companies and employment opportunities with students, graduates and educators.

Almost all new jobs in the U.S. are created by entrepreneurial and innovative firms.

A best practice example is the ***Intern to Earn*** program sponsored by HIRE, an alliance of colleges and universities in the Louisville, KY region. It is a program for identifying internships opportunities. The program works to improve the talent pool of workers and young talent in the Louisville area by recognizing that interns tend to return to the communities in which they interned, if they leave the area in the first place. The program is sponsored by the Greater Louisville Chamber of Commerce. http://www.greaterlouisville.com/InternToEarn/

11. **Entrepreneurship (T):** Almost all new jobs in the U.S. are created by entrepreneurial and innovative firms, with an average age of 10- 25 years (firms) and in all sizes. Economic growth of a community typically drives small business startups. But new business startups have a high failure rate. The reality is that most small business owners are not entrepreneurial and are likely to remain small[8], so it's imperative that any entrepreneurial program be focused on those companies and individuals that have the greatest chance of being economic generators for the community and export goods and services, which is a wealth generator.

    Organizations such as the Chamber and ancillary organizations that are involved in economic development such as FTCC, FSU, the area K-12 public school systems, and other groups, should all engage entrepreneurship as a conduit to economic sustainability for the Fayetteville region. All of the above named entities (and other applicable ones) should incorporate some or all of the following as part of their short term business plan and long term strategic vision.

    Recommendations related to Entrepreneurship:

    - Develop a base of early-stage capital options
    - Support angel investors
    - Put regulatory and licensing processes on-line
    - Use one-stop business and licensing models

[8] Eleven Myths of Economic Development, by Ed Bee of Taimerica, 2009.
http://www.taimerica.com/documents/EDJournal_Winter_09Ed03-18-09_000.pdf

- Work with immigration lawyers and the US Immigration Service to expand and promote the EB-5 visa for immigrant workers in the Fayetteville region. This initiative can help derive entrepreneurial activity and investment to the region. The immigrant investor or EB-5 program is a highly beneficial permanent residence option for the wealthy individual. Since there is no quota waiting list in this preference category, it enables a foreign national to obtain permanent residence status more expeditiously than with most other options.

The EB-5 category requires an investment of $1 million (or $500,000 in a high unemployment or rural area) in a commercial enterprise that will employ 10 full-time US workers. Although the investor's role cannot be completely passive, he or she does not have to be involved in any way in the day-to-day management of the business unless he or she wants to do so. It is critically important that the investor be able to document the lawful source of investment funds, whether his or her own or funds given to him or her as a gift. The permanent residence obtained by the investor is conditional for two years and can be made permanent upon satisfying USCIS at the end of the two years that the investment proceeds have not been withdrawn and the requisite jobs have been created.

The investor may invest in his or her own commercial enterprise or in a commercial enterprise owned by other parties. The investor may also choose to invest in a pre-approved "regional center".

Many communities throughout the country recognize that for them to succeed, a long term community vision is important.

12. **A Small Business Incubator:** should be developed to grow and support small business entrepreneurs. This should be done in partnership with Fayetteville Technical Community College. A best practice example is the small business incubator housed at Asheville Buncombe Technical Community College. http://www1.abtech.edu/content/business-incubator/business-incubator-program

13. **Community visioning effort:** the Chamber should spearhead an impartial, county wide visioning effort engaging a large cross section of the community and using an outside facilitator. Many communities throughout the country recognize that for them to succeed, a long term community vision is important and based on comments in focus groups and in our own observations, a true county wide community vision does not exist. This effort needs to be led by an outside facilitator that specializes in visioning efforts, e.g. Luke Vision.

    Best practice example: Wichita, KS and *Visioneering Wichita*
    http://www.lukevision.com/PDFs/2009Vision_document_May_2009.pdf

14. **One Stop Permitting:** Ideally, consolidated government would allow for streamlined efficiencies in the review and permitting process. Understanding that the possibility of

consolidated government may be a long term proposition does not dilute the need for government to be more efficient in its ability to work with businesses in the issuance of construction or occupancy permits. In the focus groups conducted to gauge the business climate of the region, there was strong consensus that the permitting process in Fayetteville is inconsistent and too subjective. The creation for a “one stop permitting “ office would be a positive influence in the business climate of the region along with customer service training for permitting officials.

Typically, a One-Stop review center to streamline the permit system provides citizens with a central reviewing agency located in one office. At a One-Stop Center, a single permit for construction can be issued for building, landscaping, zoning, environmental resources, drainage, public safety (fire) and driveways, etc.

Best practice example is Brevard County, Florida. http://brevardcounty.us/onestop/home/

PRODUCT IMPROVEMENT RECOMMENDATIONS SUMMARY

Recommendation	Responsible Org	Schedule	Estimated Cost	Tactic
Sustainable funding for economic development infrastructure	Chamber as the facilitator	2013	NA	Assemble a group of champions. Visit locations that have successfully initiated similar programs with the community leadership, e.g. Topeka, KS.
Shovel ready sites	Chamber	2012	NA	Solicit from area realtors and property owners sites in excess of 500 acres. Engage an engineering firm to anise sites submitted that meet the defined criteria.
STEM High School	School Board, Area Colleges	2013	NA	The School system must take the lead on this. Use Guilford County as an example of the school system partnering with the NC A&T.
Political Institute	Chamber	2013	NA	Use the Jacksonville, FL Chamber as a model.
UNC affiliated higher education initiatives	Chamber	2013	NA	The Chamber should appoint a blue ribbon committee to study the feasibility of this.
Enhance the community's aesthetics	City, County	2012	NA	Enhance the community's efforts of beautification. Use the best practice examples noted in recommendation 6 as a best practice.
Free Wireless in the CBD and Regional Airport	City, Airport Authority	2013	NA	Use Covington, GA as a new best practice example as a community that just initiated free wireless in the CBD.
Air passenger terminal	City	2013	NA	Seek Federal funding for a new passenger terminal

Airline subsidy	Airport Authority	2013	If desired (heavily requested in the community focus groups)	Study Wichita, KS as a best practice example
Growing the Talent Pipeline	FTCC, Area Colleges, School system	2013-2014	NA	See recommendation 10 above.
Entrepreneurship	FTCC, Area Colleges, School system, Chamber	2013-2017	NA	See recommendation 11 above.
Small Business Incubator	FTCC	2014	NA	See recommendation 12 above.
Community visioning effort	Chamber	2013	$45K	Use Luke Visioning
One Stop Permitting	City	2013	NA	See recommendation 14 above.

ORGANIZATIONAL

(Organizational recommendations include staffing, budget, governance and other related items that allow for the effective service delivery of economic development in the Fayetteville region.)

1. **City/County/Chamber Economic Development Contractual Relationships:** Currently, all three entities have a contractual relationship for the Chamber to perform certain and specific economic development services. These types of relationships are standard and usual within the economic development community in the US. However, the City's contractual provisions with the Chamber is unique in that the City has engaged the Chamber to be involved in very specific product improvement initiatives that a chamber usually doesn't have either the staff resources or expertise to accomplish, e.g. Hope VI Business Park Development, Murchison Road Corridor Development Plan. The former referenced projects would typically be managed by a City department agency as part of their specific land use or economic development responsibilities. In the case of the City of Fayetteville, the City has a Community Development department which is engaged in economic development activities. Both of these land use projects should be staffed and managed through the City.

   It is important for a true and successful public/private partnership that the City, County and Chamber to be at the same table for business solicitation, retention and product improvement areas.

   It is important for a true and successful public/private partnership that the City, County and Chamber to be at the same table for business solicitation, retention and product improvement areas. But with the Chamber accepting the City's request to add these product improvement activities to the contract, with, according the Chamber, no increase in the fees, the Chamber then crossed the line by attempting to be "everything to everybody", which is usually a recipe for failure. As such, it is recommended that the Chamber and City redo the contract for the next fiscal year by eliminating those items that aren't marketing or business solicitation related which may in turn reduce the dollar value of the contract to the Chamber.

2. **Chamber reorganization:** To provide the very best in economic development service delivery, the Chamber should be structured to focus of four key tenants to enhance the region's economic vitality:

   - Economic Development (includes recruitment and service to existing business)
   - Entrepreneurship
   - Community Vitality (includes public policy advocacy, leadership development, workforce and education
   - Operational excellence (includes marketing and communication, membership, etc.)

   The Chamber's economic development function should be rebranded to allow for a stronger governance structure of a public and private board of directors, based on financial participation with the program. As a start in that discussion, we suggest the name the *Fayetteville Regional Economic Development Alliance.* The Alliance would have board members from both the public and private sectors based on the ratio of private and public funding, but would still serve as a super committee of the Chamber, yet autonomous from Chamber board oversight. Because of the Chamber's current 501(C)3 tax exempt designations for its foundation, this organizational structure will allow the Alliance the ability to receive grants and charitable contributions from organizations, individuals and foundations seamlessly, and since the Chamber will continue to serve as the lead business development marketing entity for all of Cumberland County.

   This reconstituted economic development effort would have an EVP of economic development, who will serve as the region's chief economic development officer; a director of business retention and expansion, who will lead the region's BRE efforts (amongst other duties); a director of research and intelligence, who will lead a newly constituted *Center for Business and Economic Research*; and an administrative assistant. The skills sets and job responsibilities of these individuals will be broad and fluid. In today's world of economic development, there are few narrow focused job descriptions but rather jobs that are multi oriented on what is needed in the marketplace. In short, these staff positions will be "jack of all trades and masters of all." From incentive preparation to land use planning, today's economic development practitioners have to do it all and do it well.

   The **Entrepreneurship division** will be led by a VP. This individual will work with FTCC and other related organizations to broaden the outreach of educational opportunities available for small businesses and entrepreneurs, and to devise efforts for capital formation related to angel networks and venture capital. A best practice example is the Greensboro's Partnership Entrepreneurship Initiative, http://greensboroentrepreneur.com/, and Fox Valley Technical College in Appleton, WI. http://www.venturecenterwi.biz/

The **Community Vitality division** will focus on those items that will enhance the quality of place and life in the Fayetteville region. Government advocacy, leadership initiatives, downtown redevelopment, engagement of young professionals and more all constitute the efforts of this division, led by a VP.

To operate effectively, there will be a number of shared services related to the effective operation of the Chamber. This **Operational Excellence division** will provide these multi-faceted needs - from resource development and member services to marketing and communications, led by a Chamber staffer.

3. **Engage outside counsel for funding:** The Chamber completed a capital campaign for economic development in 2010 with a goal to raise from the private sector $2 million over a five year period. In actuality, the Chamber received commitments of $1.7 million, short of its goal. The current Chamber economic development budget is $1.2 million annually, with a ratio of funding revenue of 80% public and 20% private. Based on our analysis of best practice public private partnership funding for economic development organizations nationwide (EDO's), that ratio is far from ideal. Typically, best practice EDO's have a private funding ratio of 60% or more.

Typically, best practice EDO's have a private funding ratio of 60% or more.

It is recommended that based on the execution of this overall economic development strategy, the Chamber reengage a firm for capital campaign solicitation and proactively engage financial commitments from the private sector so that a more appropriate private sector participation rate is involved in economic development marketing. The public sector should be the lead in product improvement initiatives. The private sector should be the lead in product marketing efforts.

4. **Community Benchmarking Visits (also called Intercity Visits):** The American Chamber of Commerce Executives Association defines Intercity Visits as regularly scheduled trips to another city or region taken by a diverse delegation comprised of leaders from a community's public, private and nonprofit sectors. The visiting delegation and leaders from the host community discuss challenges and opportunities their community is facing. The visit provides an opportunity for interaction among city leaders, and facilitates exchange of best practices and lessons learned. These visits are often organized annually, and thus serve as a regularly scheduled chance for collective community visioning. Intercity Visits are led most often by local

Chambers of Commerce, since those entities are normally responsible for serving as a catalyst and facilitator for positive change.

During our focus groups, many respondents mentioned that they wanted an opportunity to learn what other successful communities are doing effectively. Intercity Visits are a great tool and resource to build consensus amongst what needs to occur to enhance a community's product and to gain buy-in for community initiatives. The Chamber is the only logical entity to lead this annual effort. Huntsville, AL would be a logical first intercity visit for the Chamber based on the success they have had in economic diversification.

Intercity Visits are a great tool and resource to build consensus amongst what needs to occur to enhance a community's product and to gain buy-in for community initiatives.

See the ACCE manual of how to conduct Intercity visits at http://www.acce.org/uploadedFiles/Inter_City_Visits/A%20Guide%20to%20Intercity%20Visits.pdf.

5. **Understanding the Economic Development Process:** In focus groups, we were surprised at the number of respondents who were unaware of the complexities of the economic development process and how it impacts the Fayetteville region. The Chamber should offer quarterly forums of national speakers related to economic development for the benefit of both economic development practitioners and the associated local and regional volunteers and elected officials that represent the region as a resource to better understand the nuances, trends and activities related to economic development and how it impacts the Fayetteville MSA.

Organizational Recommendations Summary

Recommendation	Responsible Org	Schedule	Estimated Cost	Tactic
City/County/Chamber Economic Development Contractual Relationships	Chamber, City, County	2012	Readjust the scope of services the Chamber will provide, which will in turn adjust the budget.	
Chamber reorganization	Chamber	2012-2013	$175-250K	See recommendation 2 above.
Engage outside counsel for funding	Chamber	2013	$25K for feasibility analysis. $20-25K per month for approximately 9 months if transitioning to a campaign	
Community Benchmarking Visits	Chamber	2013	NA	See recommendation 4 above.
Understanding the Economic Development Process	Chamber	2013-2016	Quarterly presentations of national economic related experts.	$5K +/- per speaker

Section 8: Performance Metrics and Benchmarks

Regional Economic Development Metrics

One of the primary reasons for the earlier *Competitive Realities Report* was to draw a picture of where Fayetteville stands in relation to a set of similarly situated metro areas – areas of like size with many of the same human capital and physical infrastructure capabilities and constraints – each seeking to move their local economies towards the type of high value-added manufacturing and knowledge-based industries that will be the cornerstones of successful communities in the coming decades. The following regional economic development metrics can shed some light on Fayetteville's' strengths and weaknesses in the competition to attract those kinds of employers and in turn grow the region's economy. These metrics are a macro view of the region and should be used to assess the on-going competitiveness of Fayetteville's economy and its ability to grow.

Organizational

Organizational recommendations regarding staffing, budget, governance and other related items that allow for the effective service delivery of economic development in the region were noted in the previous section. The recommendations were also based on comparisons of the Chamber with best practices regional organizations throughout the country. The effective execution of the recommendations under Product Marketing is dependent upon implementation of the Organizational recommendations.

Regional Economic Development Metrics

Performance Metric	How do we measure the metric?
Job Creation	New Direct Jobs Created New Indirect Jobs Created
Net Employment	Total Number Employed per Year vs. State Average
Business Incubation Services	Number of Services Used Per Year
New Private Investment	Total Amount of New Investment per Year
GAP Financing	Number of Loans per Year Total of Loans & Tax Incentives per Year
Average Wage	Percent of County Average Wage
Gross Regional Product	Annual Dollars
Venture/Angel Capital	Number of Funds Dollar Amount of Funds
Tax Revenue Generated	Annual Revenue Stream
New EDC Investor Mix	Revenues Generated Investors Percentage State Fund Percentage Fee Based Percentage
Real Estate Vacancy Rate	Percent Vacancy Rate by Asset Type
Real Estate Cost	Cost per Square Foot by Asset Type
Available Developable Land	Acres of Shovel Ready Sites Acres of Developed Sites Acres of Greenfield Sites
Available Buildings for Development	Number and Square Footage of Move in Buildings Number and Square Footage that Requires Moderate Development Number and Square Footage that Requires Significant Development

Target Industry Metrics

Performance Metric	How do we measure the metric?
Number of Qualified Prospects	Number of Visits to Qualified Businesses
Conversion Rate of Prospects	Percent of Conversion from Prospect to Project
Target Cluster Maturity	Number of New Direct Number of New Indirect
Brand & Image Summary	Tied to Standard Measures Currently being Developed
High School and Tech School Graduates	Number of Grades per Skill-set – Tied to Target Industry Requirements
College and University Graduates	Number of Grades per Skill-set – Tied to Target Industry Requirements
Utilization of Development Programs	Percent of Programs Used for Workforce Development
Pool of Knowledge Assets	Percent of Transferable Skills to other Industries
Talent Retention	Number of In-bound Migration Number of Out-bound Migrations
Educational Attainment	Percentage PHD Percentage Graduate Percentage Undergraduate Percentage Associates
Industry & Educational Alignment	Identify Whether Key Skill Sets are being Fulfilled by Education System

Recommendations for Performance Metrics

Recommendation	Measured By
Image Survey	• Completed • In Progress • Not Started • Road Blocks
Unified Brand	• Completed • In Progress • Not Started • Road Blocks
Marketing the County (Sub-Region)	• Completed • In Progress • Not Started • Road Blocks
Web site	• Completed • In Progress • Not Started • Road Blocks
Enhance the Fayetteville region's marketing collateral, media, and public relations efforts	• Completed • In Progress • Not Started • Road Blocks
Lead Generation and Target Profiling	• Completed • In Progress • Not Started • Road Blocks
Establish target industry working groups for each of the four focused targets	• Completed • In Progress • Not Started • Road Blocks
Consultant solicitation	• Completed • In Progress • Not Started • Road Blocks
Familiarization (FAM) tours	• Completed • In Progress • Not Started • Road Blocks
International travel/business solicitation	• Completed • In Progress • Not Started • Road Blocks

Recommendation	**Measured By**
Sustainable funding for economic development infrastructure	• Completed • In Progress • Not Started • Road Blocks
Shovel ready sites	• Completed • In Progress • Not Started • Road Blocks
STEM High School	• Completed • In Progress • Not Started • Road Blocks
Political Institute	• Completed • In Progress • Not Started • Road Blocks
UNC affiliated higher education initiatives	• Completed • In Progress • Not Started • Road Blocks
Enhance the community's aesthetics	• Completed • In Progress • Not Started • Road Blocks
Free Wireless in the CBD and Regional Airport	• Completed • In Progress • Not Started • Road Blocks
Air passenger terminal	• Completed • In Progress • Not Started • Road Blocks
Airline subsidy	• Completed • In Progress • Not Started • Road Blocks
Growing the Talent Pipeline	• Completed • In Progress • Not Started • Road Blocks

Recommendation	Measured By
Entrepreneurship	• Completed • In Progress • Not Started • Road Blocks
Small Business Incubator	• Completed • In Progress • Not Started • Road Blocks
Community visioning effort	• Completed • In Progress • Not Started • Road Blocks
One Stop Permitting	• Completed • In Progress • Not Started • Road Blocks
City/County/Chamber Economic Development Contractual Relationships	• Completed • In Progress • Not Started • Road Blocks
Chamber reorganization	• Completed • In Progress • Not Started • Road Blocks
Engage outside counsel for funding	• Completed • In Progress • Not Started • Road Blocks
Community Benchmarking Visits	• Completed • In Progress • Not Started • Road Blocks
Understanding the Economic Development Process	• Completed • In Progress • Not Started • Road Blocks

Conclusion

Extensive research and conversations with dozens of regional leaders led to the identification of four industry targets for Fayetteville to pursue. By focusing its marketing and attraction efforts, the Chamber will be able to proactively generate leads and prospects. But to create a competitive advantage, Fayetteville will need to do things differently and with courage. It will need to take the lead in proposing State legislation for a sustainable economic development funding mechanism. Academia needs to be supportive of what skill sets are needed in the global environment and then adapt accordingly by offering the appropriate curriculum.

Public institutions need to be conduits for economic growth by providing for a quality business climate which will nurture business investment of all sizes. A mega site needs to be identified and then developed. Venture capital needs to be created to nurture entrepreneurial startups. The Chamber needs to enhance its private dollars for economic development marketing and service delivery.

This report notes the many key assets the Chamber has in its ability to attract retain and grow opportunity. Conversely, the report notes a number of challenges that the Region must address for the area to enhance its global competitiveness.

These are a few of the themes that we have heard and observed. Now we challenge the Region to move forward. Fayetteville has achieved success in many areas. It can be a great Region by implementing these recommendations.

Garner Economics would like to thank the staff and volunteer steering committee of the Fayetteville Chamber for their help and assistance during this process.

About our Company

Garner | Economics LLC
solutions that work

Garner Economics, LLC provides innovative economic and community development solutions in a competitive global market. We offer site selection, analytical research, industry targeting, strategic planning and organizational development with a wealth of expertise to companies, communities, and organizations globally. Garner Economics is based in Atlanta, GA, and has representative offices in both Europe and Asia.

Since 2003, our team has been headed by Jay Garner, with more than 32 years of experience as an internationally-recognized expert of the site selection, economic development and chamber of commerce professions, and rounded out by talented experts with CEcD, CCE and CFRE designations.

We have assisted numerous local, regional and statewide organizations in creating proactive business and community development strategies, and implementation guidance with the ultimate goal of quality jobs creation and capital investment. Garner Economics also has a busy site selection consulting practice, assisting corporate clients in their expansion and relocation needs, including such companies as Lowe's, Anchor Glass, Hatfield Quality Meats, Stork Food Systems, Academy Sports, and Future Pipe Industries, to name a few. Jay Garner is a founding member and a member of the board of directors for the *Site Selectors Guild*, a prestigious group of the top site location consultants globally.

APPENDICES

Fayetteville Industry Sector Details - 2011

Highly specialized industries (LQ greater than 1.20), and high relative earnings (above $52,217, the National average earnings per worker) are highlighted in green.

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Agriculture, Forestry, Fishing & Hunting	1,320	79	0.30	$29,809	52
Crop & animal production	1,011	16	0.30	$31,798	39
Crop & animal production	1,011	16	0.30	$31,798	39
Forestry & Logging	50	15	0.35	$37,451	4
Logging	49	19	0.39	$37,436	4
Support Activities for Agriculture & Forestry	248	46	0.32	$20,948	9
Support Activities for Crop Production	187	38	0.31	$20,936	5
Support Activities for Animal Production	49	3	0.37	$18,352	2
Mining, Quarrying, & Oil & Gas Extraction	91	(21)	0.05	$19,228	3
Oil & Gas Extraction	74	(5)	0.09	$12,397	0
Oil & Gas Extraction	74	(5)	0.09	$12,397	0
Mining (except Oil & Gas)	12	(22)	0.04	$34,164	2
Nonmetallic Mineral Mining & Quarrying	12	(22)	0.08	$34,164	2
Utilities	466	67	0.63	$70,864	16
Electric Power Generation, Transmission & Distribution	48	(46)	0.09	$110,195	5
Natural Gas Distribution	216	11	1.52	$70,922	2
Water, Sewage & Other Systems	202	102	2.75	$61,406	9
Construction	8,651	(1,827)	0.77	$42,532	694
Construction of Buildings	2,215	(943)	0.90	$54,164	249
Residential Building Construction	1,742	(205)	1.17	$53,205	202
Nonresidential Building Construction	473	(738)	0.48	$57,702	46
Heavy & Civil Engineering Construction	723	100	0.56	$44,457	45
Utility System Construction	266	(59)	0.48	$39,054	26
L& Subdivision	127	0	1.04	$52,828	9
Highway, Street, & Bridge Construction	257	165	0.62	$49,698	8
Other Heavy & Civil Engineering Construction	74	(5)	0.36	$31,277	2
Specialty Trade Contractors	5,712	(985)	0.76	$37,777	401
Foundation, Structure, & Building Exterior Contractors	699	(68)	0.51	$30,411	61
Building Equipment Contractors	2,427	(292)	0.92	$43,419	202
Building Finishing Contractors	1,355	(534)	0.69	$32,368	88
Other Specialty Trade Contractors	1,231	(91)	0.78	$36,788	50
Manufacturing	10,139	(361)	0.64	$61,188	137
Food Mfg.	1,898	186	1.00	$32,745	17
Grain & Oilseed Milling	87	2	1.15	$45,330	1
Animal Slaughtering & Processing	1,501	126	2.41	$32,450	7
Bakeries & Tortilla Mfg.	61	22	0.16	$26,338	4
Other Food Mfg.	228	28	1.00	$31,599	4
Textile Mills	351	(27)	2.17	$44,572	4
Fabric Mills	313	(52)	4.29	$44,235	2
Textile & Fabric Finishing & Fabric Coating Mills	38	25	0.76	$47,329	2

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Textile Product Mills	94	38	0.58	$28,384	4
Textile Furnishings Mills	15	5	0.21	$19,198	2
Other Textile Product Mills	78	33	0.91	$30,196	2
Apparel Mfg.	613	(251)	2.41	$36,748	4
Apparel Knitting Mills	139	(179)	5.53	$42,589	1
Cut & Sew Apparel Mfg.	454	(88)	2.23	$35,583	3
Wood Product Mfg.	200	(29)	0.40	$39,425	6
Veneer, Plywood, & Engineered Wood Product Mfg.	162	(16)	1.94	$39,311	3
Other Wood Product Mfg.	38	(10)	0.13	$39,916	3
Printing & Related Support Activities	149	(68)	0.21	$38,962	16
Printing & Related Support Activities	149	(68)	0.21	$38,962	16
Chemical Mfg.	691	(165)	0.67	$70,874	11
Resin, Synthetic Rubber, & Artificial Synthetic Fibers & Filaments Mfg.	160	16	1.40	$47,943	2
Pesticide, Fertilizer, & Other Agricultural Chemical Mfg.	68	(65)	1.44	$167,141	3
Soap, Cleaning Compound, & Toilet Preparation Mfg.	371	(183)	2.69	$67,200	2
Other Chemical Product & Preparation Mfg.	70	58	0.61	$53,274	2
Plastics & Rubber Products Mfg.	3,242	717	3.95	$78,284	8
Plastics Product Mfg.	531	249	0.81	$82,808	2
Rubber Product Mfg.	2,711	469	16.91	$77,398	6
Nonmetallic Mineral Product Mfg.	259	(68)	0.52	$54,277	11
Cement & Concrete Product Mfg.	241	(40)	1.10	$55,496	10
Other Nonmetallic Mineral Product Mfg.	15	(24)	0.17	$41,877	1
Foundries	10	10	0.07	$23,878	0
Fabricated Metal Product Mfg.	292	(118)	0.16	$58,676	11
Architectural & Structural Metals Mfg.	165	(60)	0.37	$64,665	4
Machine Shops; Turned Product; & Screw, Nut, & Bolt Mfg.	48	(38)	0.10	$42,968	3
Coating, Engraving, Heat Treating, & Allied Activities	48	9	0.28	$53,603	2
Other Fabricated Metal Product Mfg.	23	(37)	0.07	$60,025	1
Machinery Mfg.	53	(346)	0.04	$67,074	3
Industrial Machinery Mfg.	37	3	0.26	$68,987	2
Metalworking Machinery Mfg.	14	(6)	0.06	$61,751	1
Semiconductor & Other Electronic Component Mfg.	20	20	0.04	$81,265	1
Electrical Equipment, Appliance, & Component Mfg.	893	(70)	1.84	$81,160	2
Electrical Equipment Mfg.	878	(81)	4.79	$82,318	2
Transportation Equipment Mfg.	1,029	(201)	0.59	$75,371	5
Motor Vehicle Parts Mfg.	673	(350)	1.22	$62,135	3
Aerospace Product & Parts Mfg.	298	112	0.48	$106,491	1
Furniture & Related Product Mfg.	101	(59)	0.21	$47,065	12
Household & Institutional Furniture & Kitchen Cabinet Mfg.	37	(35)	0.12	$39,777	8
Other Furniture Related Product Mfg.	61	(27)	1.30	$50,859	3
Miscellaneous Mfg.	195	77	0.22	$37,200	18
Medical Equipment & Supplies Mfg.	46	20	0.11	$38,910	9
Other Miscellaneous Mfg.	149	58	0.31	$36,664	9
Wholesale Trade	3,168	(466)	0.41	$50,749	297
Merchant Wholesalers, Durable Goods	1,436	(378)	0.37	$45,886	152

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Motor Vehicle & Motor Vehicle Parts & Supplies Merchant Wholesalers	262	39	0.61	$48,377	19
Furniture & Home Furnishing Merchant Wholesalers	47	25	0.33	$26,353	3
Lumber & Other Construction Materials Merchant Wholesalers	245	(81)	0.96	$48,900	21
Professional & Commercial Equipment & Supplies Merchant Wholesalers	161	(270)	0.20	$52,147	22
Metal & Mineral (except Petroleum) Merchant Wholesalers	26	5	0.17	$35,429	4
Electrical & Electronic Goods Merchant Wholesalers	83	(29)	0.20	$46,999	13
Hardware, & Plumbing & Heating Equipment & Supplies Merchant Wholesalers	189	15	0.65	$52,502	22
Machinery, Equipment, & Supplies Merchant Wholesalers	265	(32)	0.32	$52,484	33
Miscellaneous Durable Goods Merchant Wholesalers	158	(50)	0.29	$18,658	16
Merchant Wholesalers, Nondurable Goods	1,497	(60)	0.55	$49,293	73
Paper & Paper Product Merchant Wholesalers	78	18	0.46	$42,558	4
Drugs & Druggists' Sundries Merchant Wholesalers	40	(16)	0.16	$119,423	6
Apparel, Piece Goods, & Notions Merchant Wholesalers	111	(104)	0.51	$31,045	3
Grocery & Related Product Merchant Wholesalers	598	60	0.62	$51,321	24
Chemical & Allied Products Merchant Wholesalers	119	(8)	0.74	$64,318	5
Petroleum & Petroleum Products Merchant Wholesalers	85	44	0.69	$44,536	11
Beer, Wine, & Distilled Alcoholic Beverage Merchant Wholesalers	282	100	1.31	$51,757	3
Miscellaneous Nondurable Goods Merchant Wholesalers	177	(162)	0.33	$29,982	16
Wholesale Electronic Markets & Agents & Brokers	236	(27)	0.21	$89,596	72
Retail Trade	19,171	(41)	0.85	$28,791	1,054
Motor Vehicle & Parts Dealers	2,754	(26)	1.14	$49,074	149
Automobile Dealers	1,820	(88)	1.22	$57,563	59
Other Motor Vehicle Dealers	162	(6)	0.73	$38,150	11
Automotive Parts, Accessories, & Tire Stores	772	68	1.11	$31,367	79
Furniture & Home Furnishings Stores	576	(168)	0.92	$36,440	54
Furniture Stores	296	(124)	0.99	$38,461	29
Home Furnishings Stores	280	(44)	0.86	$34,303	25
Electronics & Appliance Stores	573	12	0.83	$31,670	38
Electronics & Appliance Stores	573	12	0.83	$31,670	38
Building Material & Garden Equipment & Supplies Dealers	1,136	(37)	0.75	$34,458	57
Building Material & Supplies Dealers	1,038	(40)	0.78	$35,003	45
Lawn & Garden Equipment & Supplies Stores	98	3	0.52	$28,697	12
Food & Beverage Stores	1,975	19	0.52	$24,593	84
Grocery Stores	1,655	2	0.51	$22,237	68
Specialty Food Stores	237	50	0.64	$42,464	13
Beer, Wine, & Liquor Stores	84	(31)	0.41	$20,482	3
Health & Personal Care Stores	1,201	(156)	0.85	$34,702	109
Health & Personal Care Stores	1,201	(156)	0.85	$34,702	109
Gasoline Stations	1,180	(33)	1.07	$35,544	174
Gasoline Stations	1,180	(33)	1.07	$35,544	174
Clothing & Clothing Accessories Stores	1,620	(113)	0.79	$19,330	131
Clothing Stores	1,160	(62)	0.75	$17,132	80
Shoe Stores	241	9	0.97	$18,151	28
Jewelry, Luggage, & Leather Goods Stores	220	(59)	0.89	$32,211	23
Sporting Goods, Hobby, Book, & Music Stores	719	18	0.74	$19,378	47

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Sporting Goods, Hobby, & Musical Instrument Stores	499	60	0.68	$19,474	35
Book, Periodical, & Music Stores	220	(41)	0.92	$19,159	12
General Merchandise Stores	4,701	524	1.21	$24,975	82
Department Stores	1,345	40	0.70	$19,713	12
Other General Merchandise Stores	3,356	484	1.72	$27,083	69
Miscellaneous Store Retailers	1,573	133	0.80	$21,306	107
Florists	117	(18)	0.69	$15,588	13
Office Supplies, Stationery, & Gift Stores	545	(63)	0.91	$24,137	29
Used Merchandise Stores	231	44	0.64	$15,160	23
Other Miscellaneous Store Retailers	681	171	0.82	$22,101	42
Nonstore Retailers	1,161	(218)	0.58	$8,703	22
Electronic Shopping & Mail-Order Houses	93	(38)	0.20	$9,869	5
Vending Machine Operators	53	(3)	0.55	$9,418	3
Direct Selling Establishments	1,015	(177)	0.71	$8,558	15
Transportation & Warehousing	5,775	(970)	0.73	$48,301	188
Air Transportation	90	(2)	0.15	$44,909	6
Scheduled Air Transportation	86	33	0.16	$43,353	3
Rail Transportation	37	(5)	0.13	$97,569	0
Truck Transportation	1,910	(54)	0.78	$39,764	90
General Freight Trucking	1,315	(77)	0.70	$43,229	49
Specialized Freight Trucking	596	24	1.04	$32,115	42
Transit & Ground Passenger Transportation	314	(30)	0.38	$27,749	8
Interurban & Rural Bus Transportation	143	(8)	5.45	$27,452	1
Taxi & Limousine Service	80	20	0.26	$17,415	2
School & Employee Bus Transportation	35	(12)	0.14	$24,538	1
Charter Bus Industry	13	(25)	0.29	$66,174	1
Other Transit & Ground Passenger Transportation	43	0	0.30	$39,394	3
Support Activities for Transportation	319	(320)	0.41	$43,179	29
Support Activities for Air Transportation	155	(280)	0.73	$52,664	10
Support Activities for Road Transportation	125	(29)	0.98	$34,152	14
Freight Transportation Arrangement	36	(7)	0.14	$35,351	4
Postal Service	967	(334)	1.16	$72,035	20
Postal Service	967	(334)	1.16	$72,035	20
Couriers & Messengers	695	177	0.72	$41,584	16
Couriers & Express Delivery Services	578	129	0.74	$45,722	7
Local Messengers & Local Delivery	117	48	0.63	$21,104	9
Warehousing & Storage	1,405	(439)	1.54	$50,045	16
Information	1,979	(711)	0.49	$41,183	89
Publishing Industries (except Internet)	543	(57)	0.48	$36,311	12
Newspaper, Periodical, Book, & Directory Publishers	526	(63)	0.69	$36,139	10
Software Publishers	17	6	0.05	$41,501	2
Motion Picture & Sound Recording Industries	248	93	0.44	$12,110	9
Motion Picture & Video Industries	235	95	0.46	$12,376	9
Sound Recording Industries	12	(3)	0.27	$7,077	0
Broadcasting (except Internet)	362	(198)	0.83	$42,037	19

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Radio & Television Broadcasting	183	(25)	0.56	$28,006	17
Cable & Other Subscription Programming	179	(173)	1.64	$56,347	2
Telecommunications	658	(554)	0.51	$51,935	37
Wired Telecommunications Carriers	446	(531)	0.52	$56,560	28
Wireless Telecommunications Carriers (except Satellite)	149	(20)	0.62	$51,446	8
Other Telecommunications	56	(1)	0.32	$16,241	1
Data Processing, Hosting & Related Services	121	(16)	0.31	$63,206	8
Data Processing, Hosting, & Related Services	121	(16)	0.31	$63,206	8
Other Information Services	47	20	0.21	$36,877	3
Other Information Services	47	20	0.21	$36,877	3
Finance & Insurance	5,000	912	0.41	$41,164	357
Credit Intermediation & Related Activities	1,626	33	0.44	$53,474	165
Depository Credit Intermediation	938	7	0.41	$45,949	88
Nondepository Credit Intermediation	565	43	0.65	$63,832	63
Activities Related to Credit Intermediation	123	(17)	0.23	$63,235	13
Securities, Commodity Contracts, & Other Financial Investments & Related Activities	1,549	833	0.37	$27,679	53
Securities & Commodity Contracts Intermediation & Brokerage	268	90	0.28	$63,024	22
Securities & Commodity Exchanges	19	19	0.59	$7,341	0
Other Financial Investment Activities	1,263	725	0.40	$20,492	31
Insurance Carriers & Related Activities	1,731	(1)	0.47	$42,490	133
Insurance Carriers	427	12	0.27	$66,720	20
Agencies, Brokerages, & Other Insurance Related Activities	1,305	(12)	0.62	$34,569	113
Funds, Trusts, & Other Financial Vehicles	92	44	0.13	$25,403	6
Other Investment Pools & Funds	90	42	0.30	$25,021	6
Real Estate & Rental & Leasing	6,979	740	0.74	$21,931	365
Real Estate	6,376	836	0.74	$19,974	300
Lessors of Real Estate	2,006	105	0.64	$27,477	86
Offices of Real Estate Agents & Brokers	2,213	269	0.82	$11,314	120
Activities Related to Real Estate	2,157	461	0.79	$21,879	93
Rental & Leasing Services	601	(96)	0.70	$42,674	66
Automotive Equipment Rental & Leasing	197	(23)	0.75	$53,179	23
Consumer Goods Rental	189	(74)	0.65	$22,556	24
General Rental Centers	137	16	2.21	$37,912	11
Commercial & Industrial Machinery & Equipment Rental & Leasing	78	(15)	0.32	$73,071	6
Professional, Scientific, & Technical Services	8,074	1,688	0.53	$54,323	753
Legal Services	775	(46)	0.41	$42,577	125
Accounting, Tax Preparation, Bookkeeping, & Payroll Services	1,111	(29)	0.62	$27,813	134
Architectural, Engineering, & Related Services	940	288	0.46	$71,258	99
Specialized Design Services	139	13	0.28	$29,281	15
Computer Systems Design & Related Services	1,165	212	0.47	$73,022	120
Management, Scientific, & Technical Consulting Services	1,734	449	0.68	$61,764	150
Scientific Research & Development Services	325	235	0.37	$64,584	26
Advertising, Public Relations, & Related Services	254	13	0.32	$42,028	25
Other Professional, Scientific, & Technical Services	1,632	552	0.70	$48,950	60
Management of Companies & Enterprises	457	137	0.17	$53,525	26

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Management of Companies & Enterprises	457	137	0.17	$53,525	26
Administrative & Support & Waste Management & Remediation Services	12,246	1,208	0.90	$26,980	451
Administrative & Support Services	11,910	1,167	0.91	$26,526	424
Office Administrative Services	1,266	775	1.33	$31,918	57
Facilities Support Services	351	112	1.56	$59,964	7
Employment Services	3,008	(502)	0.79	$31,284	74
Business Support Services	960	(466)	0.66	$25,857	29
Travel Arrangement & Reservation Services	149	46	0.46	$22,446	6
Investigation & Security Services	1,553	219	1.28	$34,177	50
Services to Buildings & Dwellings	3,908	846	0.85	$15,393	156
Other Support Services	715	137	1.31	$26,544	46
Waste Management & Remediation Services	337	42	0.68	$43,037	27
Waste Collection	126	1	0.65	$38,652	12
Waste Treatment & Disposal	11	(10)	0.08	$46,475	4
Remediation & Other Waste Management Services	200	51	1.14	$45,624	11
Educational Services	3,220	1,471	0.60	$60,042	79
Educational Services	3,220	1,471	0.60	$60,042	79
Elementary & Secondary Schools	403	35	0.32	$31,359	7
Colleges, Universities, & Professional Schools	1,097	509	0.49	$50,879	4
Business Schools & Computer & Management Training	98	(73)	0.42	$71,924	6
Technical & Trade Schools	136	17	0.52	$33,165	11
Other Schools & Instruction	1,257	810	1.22	$84,543	38
Educational Support Services	228	173	0.86	$30,914	14
Health Care & Social Assistance	16,231	1,377	0.66	$37,004	871
Ambulatory Health Care Services	8,307	693	0.87	$51,561	530
Offices of Physicians	2,616	277	0.78	$78,002	217
Offices of Dentists	1,009	156	0.88	$62,894	76
Offices of Other Health Practitioners	1,358	281	0.87	$44,965	102
Outpatient Care Centers	661	172	0.82	$41,957	35
Medical & Diagnostic Laboratories	250	126	0.76	$70,403	40
Home Health Care Services	2,305	(263)	1.21	$21,229	54
Other Ambulatory Health Care Services	108	(56)	0.26	$50,517	5
Hospitals	92	59	0.02	$53,458	1
Psychiatric & Substance Abuse Hospitals	92	92	0.70	$53,458	1
Nursing & Residential Care Facilities	3,692	1	0.88	$25,150	100
Nursing Care Facilities	1,538	(47)	0.72	$30,508	18
Residential Mental Retardation, Mental Health & Substance Abuse Facilities	1,014	138	1.28	$21,275	47
Community Care Facilities for the Elderly	907	204	0.89	$20,892	17
Other Residential Care Facilities	234	(293)	1.05	$23,229	19
Social Assistance	4,139	622	0.85	$18,002	240
Individual & Family Services	1,709	504	0.88	$23,147	99
Community Food & Housing, & Emergency & Other Relief Services	77	(7)	0.35	$19,239	6
Vocational Rehabilitation Services	36	(139)	0.08	$17,479	10
Child Day Care Services	2,317	265	1.03	$14,176	125
Arts, Entertainment, & Recreation	2,283	223	0.48	$12,097	80

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
Performing Arts, Spectator Sports, & Related Industries	1,117	301	0.47	$8,947	18
Performing Arts Companies	95	20	0.38	$6,675	2
Spectator Sports	309	113	0.70	$8,933	5
Promoters of Performing Arts, Sports, & Similar Events	50	15	0.25	$29,048	5
Agents & Managers for Artists, Athletes, Entertainers, & Other Public Figures	49	(8)	0.54	$9,112	0
Independent Artists, Writers, & Performers	614	161	0.44	$7,667	6
Museums, Historical Sites, & Similar Institutions	52	4	0.31	$24,186	6
Amusement, Gambling, & Recreation Industries	1,114	(82)	0.51	$14,696	56
Amusement Parks & Arcades	125	66	0.55	$14,310	8
Gambling Industries	21	8	0.11	$57,486	1
Other Amusement & Recreation Industries	968	(156)	0.54	$13,836	47
Accommodation & Food Services	13,951	1,047	0.91	$16,071	641
Accommodation	1,469	108	0.60	$18,874	64
Traveler Accommodation	1,401	137	0.61	$18,780	62
RV (Recreational Vehicle) Parks & Recreational Camps	15	(13)	0.16	$25,528	1
Rooming & Boarding Houses	53	(16)	0.85	$19,473	1
Food Services & Drinking Places	12,482	939	0.97	$15,742	577
Full-Service Restaurants	4,385	548	0.74	$16,727	201
Limited-Service Eating Places	6,620	273	1.24	$14,194	312
Special Food Services	839	(4)	0.73	$21,242	15
Drinking Places (Alcoholic Beverages)	638	121	1.20	$17,799	48
Other Services (except Public Administration)	9,831	437	0.85	$22,833	563
Repair & Maintenance	2,980	(254)	1.16	$36,070	242
Automotive Repair & Maintenance	1,473	31	0.97	$33,646	174
Electronic & Precision Equipment Repair & Maintenance	849	(206)	4.27	$45,811	30
Commercial & Industrial Machinery & Equipment (except Automotive & Electronic) Repair & Maintenance	187	(67)	0.60	$44,758	20
Personal & Household Goods Repair & Maintenance	471	(13)	0.84	$22,628	19
Personal & Laundry Services	2,370	266	0.87	$25,171	153
Personal Care Services	1,270	309	0.99	$24,257	78
Death Care Services	140	26	0.79	$38,288	17
Drycleaning& Laundry Services	364	(121)	0.90	$22,138	38
Other Personal Services	596	53	0.69	$25,905	20
Religious, Grantmaking, Civic, Professional, & Similar Organizations	3,292	479	0.82	$15,455	65
Religious Organizations	2,743	351	1.15	$14,150	7
Grantmaking& Giving Services	67	8	0.36	$35,774	9
Social Advocacy Organizations	108	20	0.40	$21,482	9
Civic & Social Organizations	100	3	0.19	$13,520	10
Business, Professional, Labor, Political, & Similar Organizations	274	98	0.43	$21,929	30
Private Households	1,189	(54)	0.54	$5,417	103
Private Households	1,189	(54)	0.54	$5,417	103
Government	91,726	9,236	3.05	$94,424	257
Federal government, civilian, except postal service	12,595	2,955	4.34	$89,621	82
Federal government, civilian, except postal service	12,595	2,955	4.34	$89,621	82
Federal government, military	53,057	5,174	20.68	$117,274	0

Industry	2011 Jobs	5Y Change	LQ	Average Earnings	Firms
			>1.20	>$52.217	
State government	4,521	(95)	0.68	$49,782	40
State government	4,521	(95)	0.68	$49,782	40
Local government	21,553	1,202	1.20	$50,345	136
Total	**220,759**	**14,224**		**$59,882**	**6,973**

Source: Economic Modeling Specialist, Garner Economics

Fayetteville Occupational Details - 2011

Highly specialized occupations (LQ greater than 1.20), and high relative earnings (above $19.94, the National average hourly wage) are highlighted in **green**.

Occupational Group	2011 Jobs	5Y Change	LQ	Average Hourly Wage
			>1.20	>$19.94
Management occupations	9,264	751	0.54	$23.95
Top executives	1,521	47	0.49	$39.12
Advertising, marketing, promotions, public relations, and sales managers	342	23	0.37	$31.99
Operations specialties managers	806	114	0.35	$32.95
Other management	6,596	568	0.61	$18.93
Business and financial operations	8,003	1,570	0.67	$24.95
Business operations specialists	4,908	890	0.83	$27.47
Financial specialists	3,094	679	0.51	$20.96
Computer and mathematical science	1,942	238	0.40	$29.17
Computer specialists	1,880	225	0.40	$29.06
Mathematical science	62	13	0.41	$32.62
Architecture and engineering	1,666	242	0.50	$27.59
Architects, surveyors, and cartographers	129	9	0.39	$22.35
Engineers	785	115	0.39	$35.11
Drafters, engineering, and mapping technicians	752	118	0.77	$20.65
Life, physical, and social science	1,067	238	0.47	$26.27
Life scientists	122	29	0.33	$30.44
Physical scientists	133	28	0.36	$33.71
Social scientists and related	674	149	0.64	$25.47
Life, physical, and social science technicians	137	30	0.29	$19.28
Community and social services	3,175	218	0.98	$15.84
Counselors, social workers, and other community and social service specialists	2,506	131	0.94	$17.74
Religious workers	668	85	1.14	$8.69
Legal	901	67	0.49	$23.34
Lawyers, judges, and related workers	417	23	0.36	$32.14
Legal support workers	485	45	0.74	$15.79
Education, training, and library	13,775	1,848	1.10	$21.32
Postsecondary teachers	1,500	145	0.79	$37.52

Occupational Group	2011 Jobs	5Y Change	LQ	Average Hourly Wage
			>1.20	>$19.94
Primary, secondary, and special education teachers	6,270	794	1.03	$22.54
Other teachers and instructors	2,864	567	1.38	$18.54
Librarians, curators, and archivists	398	39	1.06	$17.67
Other education, training, and library	2,742	302	1.30	$13.10
Arts, design, entertainment, sports, and media	3,495	553	0.54	$16.06
Art and design	838	101	0.49	$13.56
Entertainers and performers, sports and related	991	192	0.59	$11.83
Media and communication	1,059	206	0.62	$23.94
Media and communication equipment	606	52	0.43	$12.64
Healthcare practitioners and technical	8,967	1,053	0.88	$33.17
Health diagnosing and treating practitioners	5,402	684	0.84	$41.85
Health technologists and technicians	3,435	348	0.97	$19.72
Other healthcare practitioners and technical	131	22	0.74	$27.73
Healthcare support	7,059	635	1.25	$11.54
Nursing, psychiatric, and home health aides	4,843	275	1.36	$10.11
Occupational and physical therapist assistants and aides	260	66	1.33	$22.12
Other healthcare support	1,957	295	1.03	$13.68
Protective service	4,472	424	1.08	$17.51
First-line supervisors/managers, protective service workers	494	54	1.47	$25.86
Fire fighting and prevention workers	694	91	1.71	$15.68
Law enforcement workers	1,427	146	0.93	$19.43
Other protective service workers	1,857	134	1.00	$14.49
Food preparation and serving related	13,510	1,060	0.92	$9.31
Supervisors, food preparation and serving workers	1,216	89	0.97	$14.47
Cooks and food preparation workers	2,680	162	0.71	$9.59
Food and beverage serving workers	8,200	698	1.03	$8.51
Other food preparation and serving related workers	1,415	112	0.84	$9.01
Building and grounds cleaning and maintenance	7,419	801	0.85	$9.16
Supervisors, building and grounds cleaning and maintenance workers	1,058	191	0.87	$9.26
Building cleaning and pest control workers	5,089	536	0.87	$9.13
Grounds maintenance workers	1,271	73	0.79	$9.22
Personal care and service	5,961	509	0.70	$9.47
Supervisors, personal care and service workers	362	56	0.75	$11.86
Animal care and service workers	460	52	0.73	$11.31
Entertainment attendants and related workers	544	56	0.77	$9.05
Funeral service workers	43	11	0.81	$12.15
Personal appearance workers	918	209	0.93	$11.98
Transportation, tourism, and lodging attendants	91	(1)	0.29	$12.19
Other personal care and service workers	3,543	126	0.66	$8.30
Sales and related	21,370	442	0.77	$12.02
Supervisors, sales workers	3,930	101	0.91	$16.63
Retail sales workers	9,954	(19)	0.90	$10.21
Sales representatives, services	1,800	219	0.50	$15.91

Occupational Group	2011 Jobs	5Y Change	LQ	Average Hourly Wage
			>1.20	>$19.94
Sales representatives, wholesale and manufacturing	975	(98)	0.40	$19.20
Other sales and related workers	4,710	239	0.73	$9.03
Office and administrative support	21,788	324	0.72	$13.76
Supervisors, office and administrative support workers	1,317	61	0.71	$19.31
Communications equipment operators	184	(41)	0.84	$11.60
Financial clerks	3,122	115	0.61	$13.46
Information and record clerks	6,011	236	0.85	$12.60
Material recording, scheduling, dispatching, and distributing	3,982	(339)	0.77	$15.11
Secretaries and administrative assistants	3,373	174	0.63	$13.85
Other office and administrative support workers	3,798	117	0.68	$12.52
Farming, fishing, and forestry	427	(4)	0.30	$13.50
Supervisors, farming, fishing, and forestry workers	29	2	0.36	$18.87
Agricultural workers	349	(15)	0.31	$12.98
Fishing and hunting workers	12	2	0.11	$8.63
Forest, conservation, and logging workers	37	8	0.33	$15.79
Construction and extraction	6,613	(1,071)	0.66	$16.37
Supervisors, construction and extraction workers	786	(153)	0.80	$21.38
Construction trades and related workers	5,060	(874)	0.66	$15.72
Helpers, construction trades	379	(77)	0.97	$11.77
Other construction and related workers	355	34	0.61	$19.50
Extraction workers	32	(2)	0.07	$15.15
Installation, maintenance, and repair	8,132	(236)	1.06	$17.03
Supervisors of installation, maintenance, and repair workers	645	(16)	1.17	$25.49
Electrical and electronic equipment mechanics, installers, and repairers	777	(173)	0.91	$17.25
Vehicle and mobile equipment mechanics, installers, and repairers	2,265	6	1.02	$17.80
Other installation, maintenance, and repair	4,445	(54)	1.10	$15.38
Production	8,380	(164)	0.68	$12.94
Supervisors, production workers	509	(15)	0.63	$22.38
Assemblers and fabricators	1,157	(140)	0.51	$13.84
Food processing	934	82	1.05	$9.86
Metal workers and plastic workers	872	(108)	0.34	$14.45
Printing	157	(28)	0.38	$13.11
Textile, apparel, and furnishings	1,187	(155)	1.03	$9.68
Woodworkers	139	(32)	0.36	$11.12
Plant and system operators	251	25	0.60	$19.47
Other production	3,175	207	0.94	$12.36
Transportation and material moving	10,317	(447)	0.80	$13.47
Supervisors, transportation and material moving workers	593	(43)	1.21	$20.13
Air transportation	175	22	0.85	$41.80
Motor vehicle operators	4,837	10	0.82	$13.94
Rail transportation	39	(2)	0.24	$17.68
Other transportation workers	304	(12)	0.82	$10.98
Material moving	4,359	(426)	0.78	$11.04

Occupational Group	2011 Jobs	5Y Change	LQ	Average Hourly Wage
			>1.20	>$19.94
Military	53,057	5,174	20.68	$31.69
Total	**220,759**	**14,224**		**$20.02**

Source: Economic Modeling Specialist, Garner Economics

END NOTES FOR THE ASSETS AND CHALLENGES ASSESSMENT

[1]I-95 is located in Cumberland County which serves the area with a N/S transportation link. E/W access is limited.
[2]CSX and short line rail service serve Cumberland County
[3]Airports
US Flights Only (12 months ending October 2011)

	Passenger Departures (1,000's)	Scheduled Flights (Departures)	Freight/Mail (lb.)
Fayetteville Regional/Grannis Field (FAY)	258	6,394	78,000
Augusta Regional at Bush Field (AGS)	263	6,315	71,000
Huntsville International-Carl T Jones Field (HSV)	616	14,224	29,000,000

Source: U.S. Department of Transportation
[4]2010 Broadband Metro Rankings (of 370 metros)
Based on percentage of population that can access (the lower the number, the better).

		Download > 0.768 Mbps						
	Average	Upload > 0.2 Mbps	Wireline DSL	Wireline Cable	Wireline Fiber	Wireless	Provider Wireline no>3	Provider Wireless no>3
Fayetteville	133	34	106	115	136	73	280	186
Augusta	198	225	249	217	37	264	127	264
Huntsville	182	287	212	113	180	242	85	157

Source: National Telecommunications and Information Administration, Garner Economics, LLC
[5] STEM Annual Completions By Metro 2010
Bachelor's Degree and Above

Fayetteville	123
Huntsville	936
Augusta	138

Source: National Center for Education Statistics, Garner Economics, LLC
[6]According to employers in the area seeking to hire qualified managerial talent
[7] Average Wage Per Job

	2010	5-Y % Change	10-Y % Change
Fayetteville	$45,613	60.3%	24.0%
Augusta	$41,651	39.1%	15.9%
Huntsville	$50,362	43.7%	20.3%
United States	$47,045	34.2%	15.3%
North Carolina	$42,220	35.2%	15.3%

Source: US Bureau of Economic Analysis, Garner Economics, LLC
[8] Union Employment Coverage
2010 By Metro

	Sector	Employment	Union Members	% Union Members
Fayetteville	Total	132,396	14,487	10.9%
	Private	87,488	7,945	9.1%
	Public	44,907	6,543	14.6%
Augusta	Total	186,527	10,289	5.5%

	Private	142,228	7,163	5.0%
	Public	44,298	3,126	7.1%
Huntsville	Total	178,110	13,116	7.4%
	Private	152,117	7,683	5.1%
	Public	25,994	5,434	20.9%
North Carolina	Total	3,685,868	116,692	3.2%
	Private	3,022,355	53,772	1.8%
	Public	663,513	62,920	9.5%
US	Total	124,073,000	14,715,100	11.9%
	Private	103,040,400	7,091,900	6.9%
	Public	21,032,700	7,623,100	36.2%

Source: © 2012 by Barry T. Hirsch and David A. Macpherson

[9]Fayetteville Technical Community College receives high ratings from all participants (especially employers) from focus group participants.

[10] Provided by the State of NC, FTCC and others.

[11]

- Fayetteville State University
- Methodist University
- Fayetteville Technical Community College
- Miller-Motte
- Troy University-Atlantic Region (located on Fort Bragg)
- Shaw University
- Carolina Bible College
- Grace College of Divinity

[12]Tobacco and cotton are prominent crops.

[13] Focus group participants expressed concern that for many professional services, companies feel compelled to do business with firms in Raleigh, Charlotte or elsewhere since availability of those firms are limited in FAY.

[14] For large water users such as food processors, rates from the PWC are not as competitive as Augusta or Huntsville.

[15]There is currently one interim director of economic development, a BRE coordinator and a research position

[16]The public sector is more invested with the Chamber's economic development annual budget than the private sector. Ideally, it should be reversed.

[17] The public sector invests $815K per year.

[18] In reviewing media stories and focus group responses related to the Chamber's economic development efforts and the City and County, the dialog regarding the entities have been visceral and negative in nature.

[19]The 2011-2012 budget for the Chamber's ED efforts is $1.2 mm. However, the ratio is 80% public funding and 20% private. The dollar amount equates to a well-funded budget for a County the size of Cumberland.

[20]The County is site deficient. A site or Park is defined as a property, for sale or option with a published price, and with all utilities to place to serve the needs of the targeted audience (in this case industrial). Cedar Creek Business Park does not have 3 phase power in the park. The Sand Hills Road Site in the CIC is the only other site of significance the Chamber promotes that meets the definition of a site.

[21]City of Fayetteville Downtown Loan Program, Business Assistance Loan Program, Façade Improvement Grant Program.

[22]According to the PWC, there is a combined 57.5 mgd of water capacity and 46 mgd of sewer capacity. Capacity far exceeds daily usage/demand.

[23] Many focus group respondents voiced frustration over the volume of traffic related to road capacity.

[24] Based on our review of the City incentive policy and from discussion with the County, Chamber and focus groups

[25] Throughout the State of NC

[26]2010 SAT

	# Tested	% Tested	Math	Reading	Writing	Combined
NC	62,149	67	508	493	474	1475
US	1,647,123	50	514	497	489	1500
Cumberland County	1,803	55.9	476	469	445	1390

[27] Fayetteville Technical Community College receives high ratings from all participants (especially employers) from focus group participants
[28]1% as a % of covered wages
[29]Many focus group respondents commented on the perception of spot zoning in the City
[30]Many focus group respondents complained about the lack of consistency in the enforcement of building codes and procedures
[31]Compared to the benchmarks States of AL and GA, NC is higher at 7.1%
[32] According to the John Locke Foundation, Cumberland County ranks 38th in the combined local and tax fee burden per person out of 100 counties. The higher the number the better. (2009 analysis, 2011 report)
[33] NC taxes internet sales, mfg. machinery, office equipment, custom software. According to the Tax Foundation, 2012, NC has the 44th worst business tax climate in the US.
[34]NC ranks 43 out of 50 States in the level of personal income tax, according to the 2012 Tax Foundation Rankings of the State Business Climate Index.
[35]Compared to the benchmark cities of Huntsville and Augusta, Fayetteville is higher, but lower than the national average..
Cost of Living Index by Metro
2011 Annual Average

	Composite Index	Grocery	Housing	Utilities	Transportation	Health Care	Misc.
Fayetteville	96.7	109.4	79.2	102.1	98.9	108.9	102.9
Augusta	94.1	104.6	80.2	96.8	93.5	93.0	101.5
Huntsville	93.6	95.8	78.5	96.2	101.8	95.2	102.4

Source: Council for Community and Economic Research
[36]Crime Rates, 2010
(Rate per 100,000 persons)

	Violent	Property
Fayetteville	478.9	5221.4
Augusta	412.9	4815.3
Huntsville	398	3531.7
North Carolina	363.4	3447.3
US	403.6	2941.9

Source: Federal Bureau of Investigation, Garner Economics, LLC
[37] NCAA Division II and III sports, and minor leagues professional sports including baseball, hockey, basketball and arena football
[38]Cumberland County is an attainment area.
[39]There are 218 physicians per 100,000 population in Fayetteville, NC. The US average is 221. Sperling's 2012